Featuring Public Utilities

THE FINANCIAL POST

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BETTER OUTLOOK FOR WHEAT CROP THAN EVER BEFORE

United States Not Likely to Have Any Surplus For Export

NEEDS OUR GRAIN

World Wheat Surplus isUnusually Small and Acreage Sown Elsewhere Has Been Reduced

With the beginning of June, wheat takes the centre of the stage. While to many it may seem utterly futile to speculate on the grain outlook for 1925, at this early stage, it must not be overlooked that the current price of wheat is based on just this outlook, and that such factors as the surplus left over from last year's crop, and the acreage sown to wheat here and abroad, are important determinant factors in the price of wheat for the next two months. The increase in this year's wheat acreage, in Canada, and the decline in acreage in the United States, and the almost unprecedented amount of winter-killing in the north-western States, making an exportable surplus from that country improbable, are dominant factors in the present situation.

While statistics representing the wheat carry-over from last year's crop are not yet complete from all countries, it is evident that the surplus is very materially smaller than was the case last year, at least in so far as the North American Continent is concerned. Canada's crop was 261,000,000 bushels against 472,000,000 last year. The requirements of European countries increased materially with the gradual increase in buying power. Notwithstanding this our total wheat exports for the twelve months ending April 30 amounted to only 190,631,784 bushels against 257,812,398 bushels during the previous year. This means that our customers are short nearly 70,000,000 bushels, in so far as Canadian wheat is concerned.

United States Surplus Improbable

Turning to the situation in the United States there has been an organized attempt for some years, backed by government support, to prevent wheat prices from falling unduly low as a consequence of large crops either in the United States, in Canada, or elsewhere. Every effort short of actual valorization was put forth, and a thousand suggestions were urged upon the government. It was felt that the exportable surplus of wheat was responsible for the wheat prices falling to those of world levels, despite the 42½ cent protection. The truth of the matter was that the United States needed Canadian hard wheat, and the artificial barrier naturally failed to contravert economic laws. Nevertheless, political influence succeeded in introducing into Congress something like 800 bills, during its last session, to legislate the American farmer into good health. Political activity is never discouraged, and despite previous failures, it is hinted that such measures as price-fixing, an embargo against imports, or even a valorization scheme, are not improbable in the near future.

Under the political setting outlined, the Department of Agriculture has just published a crop report, the import of which is that winter wheat, or fall wheat as it is usually called in this country, will be a short crop, and that a large acreage had to be abandoned. As this type of wheat constitutes nearly 70 per cent. of the United States total, it is evident that the crop has not started under particularly favorable conditions. From a careful analysis of the report, one is convinced that there is little probability that the United States will have any wheat for export this year, and that heavy importations of soft as well as of hard wheat are not improbable.

Contrasting this situation with the start that the Canadian crop has made, the outlook for the Canadian wheat farmer is most encouraging. The seeding was completed much earlier than usual, escaped almost entirely from late frosts, and in most sections of the West, now has abundance of moisture. The acreage is greater than last year, and the preparation of the land was much more carefully attended to than normally. While it is admitted that conditions may become reversed several times times before the crop is actually harvested, the present outlook, taking prices and all other factors into account, was never better.

Agricultural prospects in the east are also unusually satisfactory. The rains of the past week have been worth millions to the farmers of Ontario. They came at a time when they were urgently needed, and were followed by a spell of warm weather, which was exactly what was most needed. When analyses of the Canadian farm situation and outlook are made it is often overlooked that Ontario is the leading agricultural province. Last year's revenue from Ontario farms was $444,208,000 against $241,842,000 for Quebec, $161,913,000 for Manitoba, $281,992,000 for Saskatchewan and $200,672,000 for Alberta.

Expect Canada to Get More French Capital

There is the likelihood that Canada will benefit from the investment of considerable amounts of French capital in the not distant future. Because of the fear of French investors and business men that socialistic leaders are likely to try to obtain control of business affairs in France capital has become nervous and is looking for sound investment in the United States and Canada.

A Canadian resident in Paris stated, this week that many important Canadian investors and bankers had shown a great interest in Canada as a possible field for investment.

GROWTH OF CROPS IDEAL AT PRESENT; RAIN . PLENTIFUL

Saskatchewan Election Day Saw General and Beneficial Downpour

By E. CORA HIND.

WINNIPEG.—Warm weather and general rains have characterized the conditions of the Canadian West during the past week and it would be difficult to think of anything which would improve the growth of crops at the moment. Complaints of cut worm damage had been received from quite a number of points before the rains came, but vigorous measures were being adopted to deal with the situation and the heavy rains of the past few days are expected to prove the best remedy, not only because cut worms do not like wet weather, but also because, under present conditions, growth is so very rapid that the crop quickly gets beyond the danger stage.

The fields of oats and barley, reported severely injured by frost, have been reseeded.

Saskatchewan with its enormous acreage in wheat will know what to do the next time June is too dry for the crop, all that will be necessary will be stage an election. Such a wetting down as the province got election day has not been known for years, apparently it had a favorable aspect for the government as the Hon. Chas. Dunning was sustained by a much larger majority than was expected even by himself, if all tales be true. At the moment the only people peeved at the weather are the racing circuit fans. Practically all coarse grains are seeded, there may be a little flax still to go in and there will be considerable seeding of oats for green feed and hay.

The big increase in corn acreage is getting away to a fine start and hay land and pastures are in good condition. Taken by and large, for a grain country over 800 miles long and from five to six hundred miles wide general conditions are very satisfactory for this time of year.

MASSEY-HARRIS MAY BUILD IN FRANCE

Would Overcome Problems of Tariff and Exchange in European Business

It is learned that the Massey Harris Company is considering the erection of a factory in France to produce implements for the continental market. The purpose is to obtain the advantage of the cheap labor in France and to avoid the duty that must now be paid by the company on implements manufactured in Canada.

In building the factory the Massey Harris Company will be following the example of the International Harvester Co., and a number of other important American concerns that have built factories in France. Recently the Ford Motor Company also built a large factory on the continent.

This action has been found necessary not only to overcome duty, and to get cheap labor but to circumvent the difficulty which has been created by the uncertainty of exchange fluctuations. French importers to protect themselves from possible loss through the sudden rise or fall of the franc, find it necessary to purchase dollars when they purchase goods in Canada or the United States. As the goods are always 30, 60 or 90 days on arriving this means that a large part of their capital rapidly becomes tied up in banking accounts that are not liquid. This greatly restricts their foreign purchases, and the large American and Canadian concerns that desire to sell to French importers must carry a stock of goods in France in order to make early delivery and prevent their customers from tieing up their capital unduly. Up to the present time few Canadians have established warehouses in France, and for that reason have lost out to British and American manufacturers who have been able to import through these.

Short-Term Rate May be Easy Until Autumn

NEW YORK.—Short-term money rates are now as low as they are expected to go and will probably not fluctuate greatly until near autumn, when an advance in rates will be seasonably in order.

MAKE THE PUBLIC BUY MINE SHARES OUTRIGHT IS AIM

Brokers' Audit Designed to Break Strangle Hold of Margin Houses

It becomes quite apparent that the ultimate object of those in control of the Standard Exchange, who launched the movement to have brokers' books audited, is to bring about public buying of mining stocks outright instead of on margin.

The great bulk of the trading today, perhaps 90 per cent. of it, is on marginal account. One member of the exchange stated that marginal trading amounts to nothing less than gambling on the part of the public making possible bucketing on the part of bankers. The exchange cannot stop speculators from buying on margin. The plan is to see that brokers engage in only legitimate marginal trading. This it is claimed will kill off the bulk of such trading, and the only way the major portion of mining stocks will be available for trading will be by outright buying. There is a class of marginal trading, having to do with the big stocks, that would come under the term of legitimate, inasmuch as these stocks are accepted as collateral by the banks on a loan. The bucketing charge involves stocks not accepted as collateral and such issues provide perhaps the bulk of the trading.

The opinion seems to be general that the exchange authorities were not desirous of catching their members bucketing, and so pushed the first audit some months ahead. One investor suggested to The Post that the delay was to enable any brokers involved to clean house while an official of the exchange remarked on the same day, that it was apparent to him that there was a good deal of housecleaning going on and that this was an answer, in a measure, to The Post's article "What is the matter with the Mining Mart?"

The desire too wipe out marginal trading is based on the hope that it will make a more certain market for

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UNION BANK MERGER ALREADY IN EFFECT

Indications That It Will Date From June 1 — Confirmation a Formality

There are indications in regard to staff organization and branch arrangements that the merger of the Union Bank into the Royal Bank will, when formally assented to, be dated from June 1—the financial half year of the Union Bank. In other words, for practical purposes the merger may now be said to be effective; assent is more or less a formality in view of the favorable attitude of the department of finance.

The fact that the last government statement of the Union Bank showed loans to directors of more than $900,000—which is .08 per cent. of total assets as compared with .04 per cent. for all chartered banks—is being pointed out. The theory is advanced on the strength of this situation that since the housecleaning in 1923 there has been absorption of public offerings of the stock to prevent a break in the market and the supposition is that the directors pledged stock so purchased to the bank for advances.

Also it is argued that if, as indicated, there has been heavy absorption of the stock, thus placing control largely within the bank, then the consent to the merger is a foregone conclusion.

No Definite Deal for Sale of Canada Landed

The reported deal whereby it was understood the Canada Landed and National Investment Corporation was to be acquired by the Canada Permanent Mortgage Corporation is from latest information, not to materialize; directors of the company, through Edward Saunders, managing director, deny that the merger is to take place.

Rumors were current this week in usually well-informed circles to the effect that a number of companies have been making advances looking to securing control of the Canada Landed. The name of the Huron and Erie was definitely mentioned. Such an amalgamation would undoubtedly be a satisfactory one, as the Canada Landed, due to its splendid position, would make a strong factor in the development of the strong and aggressive London company.

Although the directors have denied that negotiations looking to a merger of the Canada Landed and the Canada Permanent are now in progress and Mr. Saunders states that nothing definite has taken place affecting the company's future. it will be recalled that at the annual meeting it was semi-officially hinted that the company was for sale on a basis of $200 a share and it is definitely understood that a number of companies have shown a willingness to consider a purchase, this interest having been reflected in the advance in the market price of the stock.

"Pulpwood Embargo Needed for Prosperity"—Hon. E. J. Davis

One of the most convincing statements in support of the pulpwood embargo and similar effective measures to insure the manufacture of Canada's raw materials by Canadian workmen, with benefits to the producers of foodstuffs, manufacturers of goods, industrial workers and the community generally, was made before the Canadian Manufacturers' Association meeting at Hamilton this week by Hon. E. J. Davis, of Newmarket. It was received by the meeting with an enthusiasm which indicated that Canadian manufacturers are solidly behind the idea of conserving the country's raw materials for home industry.

Mr. Davis spoke from first hand experience with the situation respecting forest resources in Ontario. He was a member of the provincial government which twenty years ago passed the first embargo on pulpwood on crown lands—a step which has since been followed by other provinces. As a member of the cabinet he was largely responsible for getting the legislation on the statute books at that time. As one of Canada's leading manufacturers, the head of an industrial project which is now passing to the fifth generation of the family, he can speak from sound business experience as to what is in the interests of Canadian manufacturing and makes for Canadian prosperity.

Mr. Davis told how, when he was a member of the Ontario government, it was realized that the lumbering industry of the province could not develop with the export of pine logs to the United States to be manufactured in American mills. He was active in having an embargo passed against the export of pine logs. Immediately Ontario benefited through the establishment of lumber mills.

"Then when I went to the crown lands department I found a similar situation in regard to pulpwood," he continued. "I could see no reason why the course which built up the lumber industry would not do the same for the paper industry. And so, twenty years ago, Ontario put an embargo on the export of pulpwood from crown lands.

"You all know the benefits. Today the paper-making plants in Ontario play a big part in the prosperity of the province. They employ large numbers of workers and their products are an important factor in our balance of trade. And the example of Ontario has been followed by Quebec and other provinces with similar benefits.

"Canada is now making 2,730 tons of paper a day," commented President Hatch.

"I would favor that Canada go just as far as a government can go to conserve our resources and create employment for our own people," concluded Mr. Davis.

The sentiment of the meeting was enthusiastically in support of Mr. Davis in his stand on this question. Asbestos and nickel were mentioned as other raw materials which should only be allowed to leave the country in a manufactured state.

Solve Basic Problems and Find Prosperity for All

That Was Key-Note of Opinion at C.M.A. Meeting

NATIONAL UNITY

Different Parts of Canada Must be Brought Together — Higher Tariff for All Producers

By Staff Editor.

HAMILTON.—One of the striking features of the annual assembly of the Canadian Manufacturers' Association here was the evidence that was given that industrial leaders are giving broad and healthy consideration to Canada's fundamental problems.

There was no note of "Hurrah for Prosperity" at the convention. It was frankly recognized by the manufacturers that there was a lack of real prosperity in Canada under present conditions; that Canada was not taking advantage of apparent opportunities. In the drive for better conditions the interest of the whole community would have to be considered, it was recognized. Most of the speakers laid emphasis upon the necessity for legislative measures designed to help farmers and consumers as well as manufacturers; to help the far east and the far west as well as central Canada. Only a few of those who participated in the various discussions talked only of the manufacturers' problems.

The new president, J. H. Fortier of Quebec, in his inaugural address established a standard of healthy thinking on national questions that should work for better understanding between the manufacturers and other classes in the country's economic and social fabric; retailers and other distributors, consumers, farmers, professional men.

In their various discussions and resolutions, the manufacturers set forth their views on a number of national questions. There was a strong feeling for the home manufacture of Canadian raw materials; for a more adequate degree of protection not only for Canadian manufacturers, but for all Canadian producers; for the revision of the Imperial preference to provide compensation for Canadian producers for the lower wages in other parts of the Empire; for a system of bargaining by means of the Canadian tariff for concessions in other countries.

The eight-hour day came in for some discussion, it being generally felt that in Canada the eight-hour day was economically impossible.

Speakers from the Maritime Provinces and from British Columbia were very definite in their charge that the central parts of the country, were quite ignorant of the true condition of affairs along the two coasts and of the needs of these parts of Canada. From the prairies, various manufacturers brought the word that there was a finer spirit of harmony between farmers and manufacturers to-day than a few years ago and that sympathetic consideration of the problems of industry could be expected from agricultural leaders.

Solve the fundamental problems of the country and there will be prosperity for all, could be given as a summary of the key note of the opinion of industry, as expressed at this Hamilton meeting. These fundamental problems, such as taxations, railways, the tariff and national unity, were the real problems of Canada. Solve them and there would be no question of capital supply, of immigration, or of prosperity for all.

For reports of proceedings of C.M.A. Annual Meeting, see pages 38 and 39.

Helping to Build Exports to France

Colonel H. Barre, Canadian Trade Comissioner in France, located in Paris, is in Canada at the present time in connection with his work of developing Canadian exports to France.

He is visiting manufacturers in Ontario and will next week call on Quebec manufacturers. At the C.M.A. convention in Hamilton, Col. Barre gave many exporters timely information.

A Prophecy—and Fulfilment

In a document printed by order of the American Senate, Mr. W. S. Bainbridge records the following statement made to him when he was inspecting hospitals in Berlin on behalf of the Red Cross during the war:

"One evening at the Adlon Hotel in the fall of 1915, shortly before my departure, we had at dinner two German officers, one of whom was a member of the general staff. In response to a question after a general discussion of conditions from the German standpoint, the following statement in substance was made by the staff officer: 'Of course, Germany cannot help winning, but, for the sake of discussion, supposing that all the world got on her back and it was impossible to reach a military decision, I believe the following things will occur: (1) An armistice will come before any hostile army crosses Germany's frontier. (2) There will be no scars on the Fatherland from this war. (3) The immediate competitors in the economic and commercial world will be so crippled that when it is all over the Germans will be outselling them in the markets of the world long before they can get on their feet. (4) Following the war there will be economic hell, industrial revolution. We will set class against class, individual against individual, until the nations will have pretty much all they can attend to at home and not bother with us. (5) If need be, the Fatherland may dissemble into component parts and reassemble at the strategic time." In concluding this statement he turned and said with emphasis, as well as deliberation: 'The greatest struggle will come after the war. The weapon will be propaganda, the value of which we know. The Allies will be torn asunder, each will be put at the other's throat like a lot of howling, gnashing hounds. And when they are all separated from France, Germany will deal with her alone.' "

This prophecy has been in great part already fulfilled, and who shall say what the end will be? Meanwhile, we may well note what has been made manifest," says The Patriot, London. "The weapon will be propaganda, the value of which we know." In 1923 Mr. Bainbridge spent some time in the Ruhr, where German proganda, which undoubtedly made a deep impression here, was rampant, and from personal observations he was able to reveal its studied mendacity.

TIRE WAR BREAKS OUT JUST AS RAW RUBBER GOES UP

Situation is Serious For Small Tire Companies

PROFITS DWINDLE

Continued Rise in Raw Rubber Comes at Time When Companies Are Slashing

The present market situation in automobile tires in Canada is threatening the existence of many of the smaller companies and cutting the profits of the larger men. There has been a rapid advance in the raw rubber which is now above 70 cents, or four times what it was a year ago, and double what it was 30 days ago. In the meantime while rubber has been soaring, tire prices in Canada in the last year have dropped 25 per cent. due in large measure to cut-throat competition. The salvation of the situation is likely to be in higher tire prices and higher prices are not certain. On May 1, tire prices in the United States moved up 5 and 10 per cent., 5 per cent. on large tires and 10 per cent. on small tires, and on June 1, there was a similar increase. There has been no move to increase tire prices in Canada and there are certain difficulties in the way of doing so. It is thought the larger companies can carry on but many smaller companies will face ruination, especially those with heavy capital charges.

C. H. Carlisle, general manager of Goodyear Tire & Rubber Co., a close student of the market, says the situation is now receiving earnest consideration. He did not hazard a guess as to the outcome, other than to say that it was a matter of competition. This undoubtedly means that if there is concerted action on the part of the tire manufacturers to add at least part of the higher manufacturing cost to the price of tires, this will be done. If not, then prevailing prices will continue. "That will be a serious thing for us," said Manager Dickson of Oak Tire & Rubber Co.

There will be a double pinch on the small companies. The much higher price of rubber will make a serious call on their working capital at a time when it is keeping them going to turn out tires to meet the heavy demand of the season.

So long as prices stay down and they absorb the increased price of rubber, their profits will be seriously cut into at a time when profits are seriously at a minimum. The present situation has certain obstacles which make it quite difficult to raise prices. Recently one big company contracted to supply tires to a concern with a marketing organization stretching across the Dominion and at prices far below present prices to dealers. When news of this contract got out others started to slash prices.

It is pointed out that Canadian tire

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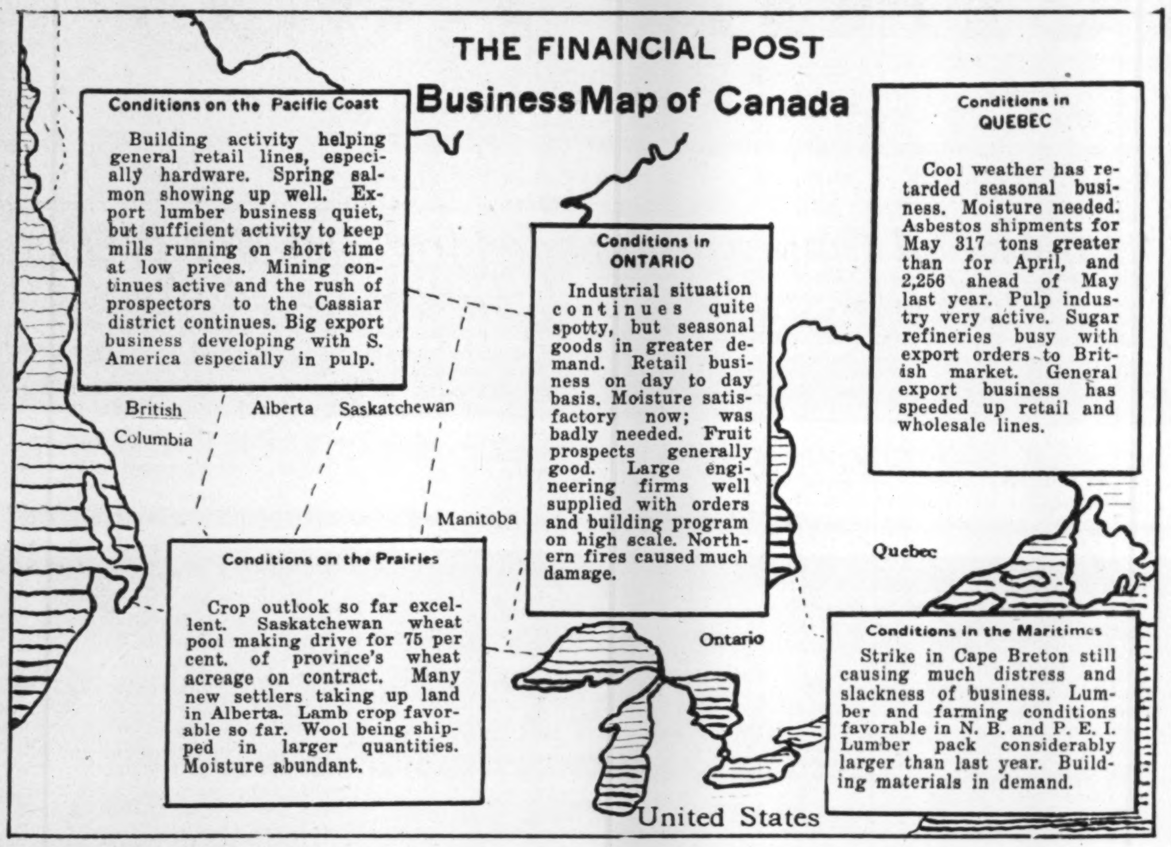
The Business Outlook in Canada

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.



THE FINANCIAL POST

Business Map of Canada

Conditions on the Pacific Coast

Building activity helping general retail lines, especially hardware. Spring salmon showing up well. Export lumber business quiet, but sufficient activity to keep mills running on short time at low prices. Mining continues active and the rush of prospectors to the Cassiar district continues. Big export business developing with S. America especially in pulp.

Conditions on the Prairies

Crop outlook so far excellent. Saskatchewan wheat pool making drive for 75 per cent. of province's wheat acreage on contract. Many new settlers taking up land in Alberta. Lamb crop favorable so far. Wool being shipped in larger quantities. Moisture abundant.

Conditions in ONTARIO

Industrial situation continues quite spotty, but seasonal goods in greater demand. Retail business on day to day basis. Moisture satisfactory now; was badly needed. Fruit prospects generally good. Large engineering firms well supplied with orders and building program on high scale. Northern fires caused much damage.

Conditions in QUEBEC

Cool weather has retarded seasonal business. Moisture needed. Asbestos shipments for May 317 tons greater than for April, and 2,256 ahead of May last year. Pulp industry very active. Sugar refineries busy with export orders to British market. General export business has speeded up retail and wholesale lines.

Conditions in the Maritimes

Strike in Cape Breton still causing much distress and slackness of business. Lumber and farming conditions favorable in N. B. and P. E. I. Lumber pack considerably larger than last year. Building materials in demand.

RUBBER CONTROL RESPONSIBLE FOR HUGE PRICE RISE

85 Per Cent. of World's Rubber is Produced in the British Colonies

The restriction in the quantity of rubber which the British rubber growing countries are permitted to export is stated to be largely responsible for the recent radical increase in the price of crude rubber, in an article which appears in the current issue of the Trade Record published by the National City Bank of New York. The world's rubber supply is grown largely in the British colonies of the Malayan Peninsula, India, Ceylon, also in the Dutch Indies, Brazil and certain other South American countries.

According to a high authority in the trade, the British colonies have been providing about 85 per cent. of the world's supply. Recent legislation in these colonies has limited the share of their output which they may export to one-half of their normal production. This action has been followed by an advance in the price which must be paid for rubber products in the world markets, and the quantity used has greatly increased since the automobile has come into general use.

Increase Due to the Motor Car

Due largely to the advent of the automobile, the world rubber crop has advanced from 61,000 tons in 1905 to 124,000 in 1914, 390,000 in 1919 and approximately 421,000 in 1924. Quite naturally the United States and Canada, which are not rubber growing countries, but large manufacturers and users of automobiles, have greatly increased their imports of rubber. Imports into the United States have advanced from 17,000,000 pounds in 1880, to 736,000,000 in 1924 Of last year's enormous importation, 472,000,000 pounds came from the British East Indies, 133,000,000 from the Dutch East Indies, and 85,000,000 from Great Britain. Canada's imports of crude rubber during the last fiscal year amounted to 34,386,858 pounds against 28,877,244 for the previous year.

In connection with the unfavorable position in which Canada and the United States find themselves, being very large users of rubber, and not having any control over the raw materials, Sir Eric Geddes, chairman of the second largest firm, is reported to have stated that the prices of raw rubber fluctuated from 17 cents to 61 cents in the course of a few months, and the United States should take steps to eliminate present condidions in the industry by growing her own rubber, as no rubber is now produced in continental United States.

Despite the fact that the rubber markets in Great Britain and the United States remain firm at present, there still is some distance between buyers and sellers, resulting in a tendency to hesitate on all but actual requirements. Current advances in the London market have taken prices within a small margin of the year's previous high point, but the actual volume of sales is not great.

May Employment Figure Turned Sharply Upward

Business improvement throughout Canada is shown by the marked betterment in the state of employment for May. The index figure rose from 87.2 for April to 90.3 The change is no more than the regular seasonal speeding up of activity, but it indicates that conditions are fairly normal.

The general state of employment is not on as high level as it was at this time last year when the index number stood a few points higher, but the improvement this year is greater than that at the beginning of May, 1924, and a gradual expansion in the number of men employed is to be looked for as the summer approaches.

The chief contributors to the May improvement were manufacturing and construction, and some slight expansion took place in transportation, trade, communication, services and mining.

How Credit is Financed

Dealer May Carry the Paper Himself But More Often He Discounts It With Finance Company That Makes All Collections as Instalments Fall Due

This is the second of a series of articles prepared by The Financial Post in the growth of instalment selling in Canada. The first article, a general review, can be obtained by writing to the editor.

"Paint now and pay in ten months"—the opening shot of a recent instalment campaign—is typical of the vivid slogans appearing everywhere throughout the United States and Canada to announce the inauguration of credit selling. The subtle suggestion of postponed payment is proving one of the most powerful selling principles of the decade. It is being applied to the sale of everything that is not actually perishable, and even to some things that are. It is threatening to revolutionize present methods of retail merchandising, if, indeed, it has not already done so.

There are two methods of financing instalment selling. In one case the merchant himself arranges the credit out of his own resources or through his bank. In the other, the financial part of the transaction is carried out by a third party, a finance corporation, which buys the note of the customer with the dealer's signature on it—adds its own name, and rediscounts the document with its bank. While the latter method is relatively new in Canada, except in the automobile and piano field, it has gained rapid headway in the United States and threatens to do so here as well.

The first of the two methods referred to is the same in principle as the second, but is less complicated in acutal practice. It applies more particularly to less standardised articles such as men's clothing, small hardware products and household goods, while the third-party-financing applies more especially to more lasting and standardised products such as machinery and equipment of various sorts, and, of course, automobiles. One type of the former which has gained great headway is the ten-payment plan of selling men's clothing. A leading firm with several stores has recently adopted this plan which provides for an initial payment of $10 which, in the majority of cases, amounts to one-fifth of the purchase price. The balance is payable in ten weekly instalments. To avoid loss through failure to complete payments, as adequate information as possible is obtained with regard to permanent residence, address, employment, and other similar factors designated to eliminate the class of "floaters" who are here to-day and gone to-morrow. Excellent results are stated to have attended the trial of the plan, and losses are easily taken care of by the increased volume of sales.

Similar plans are being adopted in the furniture business. A leading Toronto department store has had marked success in the sale of furniture on time through a specially worked out plan. There is a minimum purchase of $25 and the firm can easily carry the paper without having it underwritten by a finance corporation, and without adding much to the sales expense. The profit on the large turnover of the firm, which is estimated at about $8,000 to $10,000 per day, more than absorbs the additional cost of giving credit. It is seldom necessary for the firm in question to repossess furniture, and the losses are said to be only about one-half of one per cent. To assure this safety, customers are carefully chosen in a variety of ways. Another Toronto furniture house which sells to a poorer class of customers has to resort to repossession to a greater extent, but charges an additional 12 per cent. for credit. It advertises "No extra charge for credit," but gives a discount of one-eighth for cash, which amounts to the same thing.

When a Third Party Finances

Where the merchant or manufacturer cannot or does not care to advance the credit himself, he can arrange with a finance company to do so. This type of financing is not very extensive in Canada as yet. There are, in fact, very few finance companies yet willing to take paper on products other than one or two standard lines. But there are indications of wide expansion. During the current week two enquiries were received by The Financial Post from manufacturers in different Canadian cities asking to be put in touch with finance companies who would be in the field to discount the paper on the sale of their products. One was from a prominent manufacturer of garages, roofing, refrigerators, etc. The other was from a manufacturer of butchers' equipment. Several of the finance corporations already carrying on a business in restricted lines are branching out, or preparing to branch out, into other lines.

The technique of this type of financing is simple. It has been the recognised practice for a generation in the field of international trade, and that it is only now being adopted in the realm of small retail and wholesale business seems an anomaly. The process in brief is that the manufacturer sells a bill of goods, or an article, to a dealer or merchant. The latter sells the goods to the ultimate consumer receiving a cash payment and the note of the customer for the balance. The dealer then adds his name to the note, and sells it to a finance corporation, who will collect the amount from the customer on maturity, or else hypothecate the document to a bank as collateral for a loan. The former company collects the instalments although in some parts of the United States the bank will attend to the securing of final payment.

An interesting application of the type of financing just outlined is the case of the paint selling campaign mentioned at the outset of the article. The plan provides for the making of an agreement for partial payment through a paint contractor. The latter secures his supplies when he chooses, and arranges to have a finance company make payment to the

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Canadian Conditions

Car Loadings—			
	1925	1924	
Week May 23	50,952	52,965	— 3.8%
	1925	1924	
Yr. to date	1,070,521	1,104,142	— 3.0%
Grain Receipts—			
Aug. 1 to May 22	236,919,376	367.522,766	—35.5%
Building—			
	1925	1924	
April	$14,856.291	$13,307,057	+11.5%
	1925	1924	
4 months	$33,972,311	$31,137,437	+ 9.1%
Bank Clearings—April—			
	1925	1924	
	$1,253,008,967	$1,241,047,206	+ 0.9%
Savings Deposits—Chart. Banks—			
	1925	1924	
Mar.	$1,266,231,798	$1,192,589.899	+ 6.1%
Current Loans—By Banks—			
	1925	1924	
Mar.	$917,645,337	$1.006,913,916	— 8.8%
Net Dominion Debt—Mar. 31—			
	1925	1924	
	$2,403,005,035	$2,409,326.639	— 0.2%
April—	1925	1924	
C.P.R.	$12,608,788	$13,806,121	— 8.6%
Oper. exp.	11,160,188	12,051,204	— 7.4%
Net	1,448,599	1,754,917	—17.5%
4 Months	1924	1923	
C. P. R.	$49,223,559	$55,094,604	—10.6%
Oper. exp.	43.919,278	48,890,639	—10.1%
Net	5,304,281	6,203,965	—14.5%
April—	1925	1924	
C.N.R.	$17,656,889	$19,051,093	— 7.3%
Oper. ex.	16,402,357	17,795,399	— 7.8%
Net	1,254,532	1,255,694	— 0.09%
4 Months—			
C.N.R.	$69,093,343	$75.833,721	— 8.8%
Oper. exp.	65,318,561	72,022,585	— 9.3%
Net	3,774,782	3,811,136	— 0.9%
Balance of Trade— 12 months, Apr. 30—			
	1925	1924	
Exp.	$1,092,551,749	$1,053,953,665	+ 3.6%
Imp.	795,864.047	885,358,688	—10.1%
Bal.	296,687,702	168,594,977	+76.2%
July Wheat, No. 1, Nor. Winnipeg—			
	1925	1924	
	June 1—$1.74⅜	June (Aver.)—$1.14	

LLOYDS BANK LIMITED

Head Office:
LONDON, E.C. 3.

Over 1,660 Offices in England and Wales, and several in India, Burmah and Egypt.

(31st December, 1924.) ($5=£1.)

DEPOSITS, &c.	$1,707,171,660
ADVANCES, &c.	$823,571,655

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Bank of London & South America Ltd.
Lloyds & National Provincial Foreign Bank Ltd.
The National Bank of New Zealand, Ltd.
Bank of British West Africa, Ltd.
The British Italian Banking Corporation, Limited.

CANADIAN BANK NOTE COMPANY
LIMITED

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CORPORATION BONDS
STOCK CERTIFICATES
MUNICIPAL DEBENTURES
AND OTHER
MONETARY DOCUMENTS

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MONTREAL TORONTO

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Head Office
OTTAWA
Canada

Branch
1205 Bank of Hamilton Bldg.
TORONTO

Crop Reports

AS in previous years, the Bank of Montreal will publish during the season frequent reports on the progress of the crops.

These crop reports are telegraphed to various centres, from which they will be mailed free to all who require them.

Application to be put on the mailing list may be made in person or in writing at any Branch of the Bank.

Total Assets in Excess of $700,000,000

Head Office: Montreal

Bank *of* Montreal
Established 1817

Banking Service

Every service that a progressive banking institution can perform is available at any of the 340 branches of the Union Bank of Canada, where banking business of every description is quickly, efficiently and courteously handled.

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HEAD OFFICE WINNIPEG
Established 1865

The Weyburn Security Bank

Chartered by the Act of the Dominion Parliament
TWENTY-SIX BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; S. E. Oscarson, Fargo, North Dakota; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

The Bank of Nova Scotia

Established 1832

Capital	$ 10,000,000
Reserve Fund	19,500,000
Total Assets	220,000,000

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J. A. McLEOD, General Manager.

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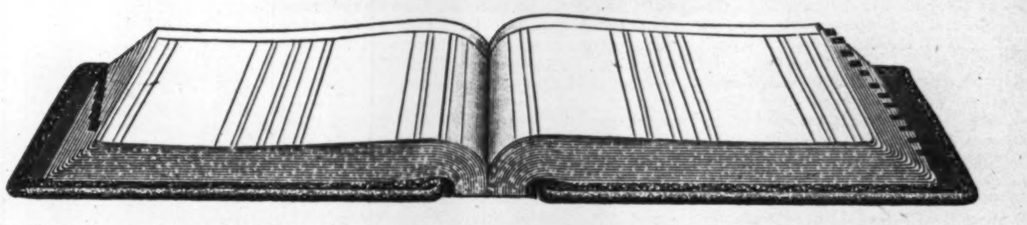
that lies flat



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With five pages or five hundred you get a perfectly flat writing surface—"as flat as the desk itself."

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At last you can get all the advantages of the bound book **plus** the advantages of the loose leaf style—and none of the disadvantages of either.

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NO METAL
TO MAR
THE DESK

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70 Bond Street, Toronto
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TOURIST TRADE GOOD BUSINESS FOR RETAILERS

Visitors Can Take Back $100 Worth of Goods as Souvenirs

On the basis that during 1924 more than $150,000,000 was realized from tourist traffic throughout Canada, Canadian Grocer expects that approximately $200,000,000 will be brought into the country by visitors during 1925. It has been estimated that in the Province of Ontario alone approximately $5,000,000 will be spent for hotel accommodation. In all the resort districts throughout Canada business is brought to the merchant as well as the hotels, garages, etc.

It is estimated by Canadian Automotive Trade that last year there entered Ontario alone 3,000,000 cars bearing the United States license—10 cars for every car owned in the provinces. If each owner left no more than a dollar bill at some service station or garage the amount of business based on such a conservative estimate would still be substantial in the aggregate. But it needs little imagination to place the expenditures at a very much higher figure when hotel accommodation, garage service, etc., are taken into consideration not to mention the purchases made in the retail stores. Russell Kelley, president of the New Ontario Tourist Association, estimates that $20,000,000 was left by tourists in the retail stores of Quebec last year. The Ontario association is out to develop aggressively this year along the lines so successfully followed by the tourist association in Quebec. In British Columbia and other provinces, too, active steps are being taken to take full advantage of the tourist business.

Illustrative of the profitable business which may be done by retailers with tourists is an article appearing in Men's Wear Review describing the methods of William McLelland, King St. Hamilton.

Passing his store the other day Men's Wear Review noticed the following sign:

TOURISTS
ARE INVITED TO INSPECT OUR STOCK AT THEIR LEISURE AND ANY INFORMATION WILL BE CHEERFULLY GIVEN.
—Wm. McLelland.

Mr. McLelland takes advantage of the fact that our friends from across the border can purchase all kinds of woollen goods cheaper here and also that they can take back with them up to $100 worth of goods without having to pay any duty. He sells them winter underwear and heavy sweaters in midsummer.

"From your sign at the front it looks as if you are expecting a good tourist trade this season?" asked Men's Wear Review.

"We certainly do," replied Mr. McLelland. "During the three or four months easily 50 per cent. of our business is done with tourists. Naturally we give them a hearty invitation to visit the store. They are good spenders."

"What goods do you find tourists most interested in?" was asked.

"Woollen goods seem to catch their eye most of all," he said.

"About how much cheaper can you sell them than merchants in the United States?"

"Anywhere from 33 1/3 per cent. to 50 per cent.

"We sell a lot of woollen underwear, sweater coats, automobile rugs, hosiery and imported coats."

He explained that the duty on these coats coming into the United States was about 40 per cent. higher than the Canadian tariff. Mr. McLelland also has a ladies' wear section including hosiery, sweater coats, fancy goods, etc.

Mr. McLelland also sells baggage, such as traveling bags and trunks.

No Duty on $100 Purchases

In the window was noticed a letter from the Collector of Customs at Buffalo explaining that bona fide tourists returning to the United States could purchase up to $100 worth of goods in Canada without having to pay any duty. The store staff always explained this to tourists so as to relieve their minds in purchasing woollen goods, etc.

Projected Building Shows Big Increase

The high volume of building which was forecast early in the present year is being carried out on even a larger scale than was expected. According to MacLean Building Reports the contemplated new work reported to date this year was in the neighborhood of $285,000,000 as against $161,000,000 for the same period of last year. For the month of May total construction awards in Canada amounted to $34,052,100 as against $24,886,900 for the previous month and $32,996,900 for May of last year. Residential building was responsible for 38.2 per cent. of the May total and amounted to $13,020,400. Business building accounted for $11,752,200 or 34.5 per cent. of the total. Industrial building was 9.6 per cent.; public works and utilities 17.7 per cent.

The volume of building in the province of Ontario during May was greater than that of all the rest of the country combined. Ontario accounted for 54.9 per cent. of the total; Quebec came net with 35.4 per cent.; the prairie provinces had 7.1 per cent.; British Columbia 4.8 per cent. and the Maritime Provinces 1.8 per cent.

Bigger Truck Production Leads to Price Reduction

DETROIT.—Official figures for the first quarter of 1925 show that Graham Brothers rank first in the world in the production and sale of 1½ ton trucks. In the 1 ton and 1½ ton truck fields combined they were surpassed in volume only by Ford.

Less than three years ago Graham Brothers were in twentieth position. Now they are manufacturing trucks at the rate of over 100 a day, marketing their entire output through Dodge Brothers dealers.

With increased production prices are being reduced. The 1 ton chassis, which sold at $1175, f.o.b. Detroit, is reduced to $1095 and the 1½ ton chassis, which was $1375, is cut to $1280, f.o.b. Detroit. Other chassis prices are reduced proportionately.

B.C. EXPECTS MILLION FROM THE TOURISTS

Heavier Traffic Than Ever Before Being Predicted For Coast

From Our Own Correspondent.

VANCOUVER.—British Columbia's tourist harvest this year promises to be greater than ever, report railway and other transportation companies, publicity and development associations. The tide has already started to flow this way, although it will not reach its height until June. There is a growing consciousness among the people of this province that the tourist traffic really constitutes one of the most important industries of the coast, representing as it does a producer of millions of dollars in revenue each year. A few years ago the tourist was regarded with a feeling akin to contempt and little effort was made to encourage the traffic. That sentiment has now been almost entirely replaced by a desire to cater to the needs of the traveler, the basic conviction behind the changed point of view being that the tourist as such is a distributor of cash and is also a potential settler, and permanent source of wealth to the district in which he settles.

ABATTOIR FOR B.C.

VANCOUVER.—The first unit of a large plant that will ultimately call for an expenditure in the neighborhood of $160,000, is being put under way on the North Arm of the Fraser River, in the shape of an abattoir and packing plant. Contract for this unit, which is estimated to cost approximately $45,000, has been placed with a Vancouver firm.

BUILDING LABOR COSTS CONTINUE ON HIGH PLANE

Workers Are, However, Showing Signs of Greater Efficiency

Though wages in the building trade continue at an unduly high level, inconsistent with reduced wages in other lines of activity, labor on the whole is showing an increased efficiency. There has been a downward tendency since 1920, but it has been very slight as figures of the Department of Labor for 13 cities show. Taking 1913 as 100 these are:

1920	180.9
1921	170.5
1922	162.5
1923	166.4
1924	169.7

The downward move was evidently checked in 1923.

Whether this return to a higher wage scale will be maintained or increased is something on which few might care to prophesy with any degree of confidence. The one factor to introduce a material reduction is an increase in the number of skilled mechanics. Highly organized trades unions, by curtailment of the apprenticeship system, resulting in a limited and decreasing supply of skilled mechanics, have made it almost certain that there will be no immediate relief. It seems reasonable to assume confidently that, for some time to come, there will be no appreciable decrease in building costs due to a reduced wage scale.

Rates Vary Widely

In a chart prepared by MacLean Building Reports, Ltd., the average hourly rate paid eight trades in each of thirteen Canadian cities presents some interesting comparisons and discrepancies. It will be noted that, taking Toronto as a geographical centre, where wages reach their highest peak, there is a marked falling off in the scale toward the East, while high standards are maintained westward right to Vancouver. Thus Montreal, Quebec City, St. John and Halifax all fall far below the scale maintained elsewhere, while in Quebec City, due to its almost total freedom from labor disturbances, the index number is remarkably low.

On the same chart may be compared the average rate of wages paid labor in building trades in thirteen Canadian cities. This graph presents some of that proverbial "food for thought." It will be found that bricklayers are the aristocrats of them all, with plasterers a good second and stonecutters not far behind. These trades, while undoubtedly calling for skill, can be followed instinctively and almost without thought, once their technique has been mastered. Laying bricks, plastering and stone cutting become more or less mechanical actions in which the worker goes through his motions with a minimum expenditure of brain power. On the other hand, a carpenter, or electrician, or painter, or plumber, cannot carry out a job without devoting to it a good deal of continuous thought. This view of the case presents the puzzling anomaly that, laboring tasks excepted, the more you have to think the less you earn.

TO MARKET TRADERS' FURS

EDMONTON.—The Provincial Department of Agriculture is considering a plan whereby it will market traders' furs. It hopes to act as selling agents for trappers.

Says the Sales Tax Ruining Many Smaller Manufacturers

By SIR EDWARD KEMP.

Statement made in the Senate during the discussion of the Sales Tax, May 28th.

There was (in 1921) a 1 per cent. sales tax, or 1½, and on certain articles it was somewhat different. The tax applied in theory, to everyone in this country. There are small industries and large industries in Canada, and small merchants and large merchants, and it applied to everybody. There was a certain class of men who came to Ottawa and said: "This bears so heavily on us that we cannot pay it and do business." The result was that it was gradually whittled down until it affected just a few industrial enterprises, and great mercantile industries of this country, because certain industries were entirely exempt from any tax of this kind.

These mercantile concerns are the ones that to-day are prosperous, and they are so because of the fact that times are dull in Canada, and there are slaughter markets all over the world which seek to bring goods in here on which there is very little customs tariff collected. This country is not protected as the United States is, and these mercantile concerns buy from persons who are forced to sell, and thus they are making a large profit. Their own published statements show that in some cases they are making profits of a million dollars a year, and those people are absolutely exempt from tax.

On the other hand, there are little factories all over Canada which are in a bankrupt condition, and are paying 5 per cent. on their turnover. It can easily be seen what effect this tax is having in this country to-day. It is the most outrageous tax that was ever put on any country in the world, and there is no precedent for it under the sun. Neither in the United States nor in Great Britain was anything like that attempted.

How can you collect such a tax from people who are bankrupt—from the man who has no balance on the right side of his balance-sheet at the end of the year? What is the result in the department of finance to-day? I believe the department would be ashamed to reveal the situation which exists. There are people in every part of this country who owe the department thousands of dollars that cannot be collected because the people have not the money. They are not making any money, and conditions are such that they cannot make a profit. How can they pay 5 per cent. on their gross turnover under these conditions? It is impossible. This tax has created a lack of confidence in this country; it has been more detrimental than any other kind of tax.

The situation is this, that there are men coming to the government every year saying that they cannot stand this tax; and they cannot. Look over your legislation, and you will find that exemptions are getting down to narrower points. If you must have a turnover tax, put it on everyone alike—on those who are successful as well as those who are not so fortunate. I say that it is the people who make the loudest cry in Ottawa who get the most exemptions. The exemptions are not so great this year as they have been in other sessions, but here is a sample.

I contend that this legislation would bankrupt many of our smaller but very valuable industrial concerns. I have observed, in the press, from circulars that come to me, and by experience in sitting upon one or two boards, that industrial organizations in this country are issuing bonds for amounts varying from $50,000 to $500,000. What are these bonds for? To pay off bank overdrafts; in a great many cases, to pay this tax. The other day I inquired of a reputable banker: "What does this mean, all this issuing of bonds all over Canada by these small industrial concerns?" The answer was: "You cannot mortgage a piece of real estate direct to a bank; a bank cannot take such a mortgage as security, but the bank can say to the customer, 'Issue bonds, under the act, for $50,000 or $100,000, and pay off your overdraft with part of it.'"

As I have said, this is good for the banks, but it is mighty poor for the industrial concerns of the country. If you must raise the money, put this tax upon wholesale and retail merchants, and a smaller tax on manufacturing concerns; but do not keep whittling this thing down until you get it where its effect is to bankrupt people who have to stand it. It is a mighty big thing for a man to have to pay $50,000 or $100,000 to the government—5 per cent. on his turnover. There are many concerns in this country whose gross turnover is a million dollars, and it is upon that gross turnover that the heavy tax of $50,000 must be paid. It cannot be done, and if it goes on, you will bankrupt one concern after another.

NEW FUNDS FOR ALBERTA VENTURES

Financial Houses Are Not Able To Do Much With Farm Mortgages

From Our Own Correspondent.

CALGARY.—Local financial men report an improvement in the volume of money coming into Alberta for investment purposes, but the existing provincial laws as they concern farm mortgages, are militating against any business being done in that direction.

This is considered regrettable as for years farm prospects have not looked so encouraging. Not since 1915 and 1916 has there been such an abundance of moisture in the ground. Recent rains, even in such renowned dry districts as the Goose Lake line, have wrought wonders and all this has brought about no an unreasonable ultra-optimistic feeling among the farmers. At the present time there is sufficient moisture in the ground to carry the crops for several weeks.

All this is being watched closely by investors, but until they receive reasonable protection so far as their loans are concerned they will give their attention to industrials or some other form of investment.

So far comparatively little money is being sunk in oil development in Alberta by speculators. There is, however, a fair amount of development work going on.

GOOD WHEAT ACREAGE

LETHBRIDGE.—Soldier settlers in Southern Alberta have already averaged 80 acres seeded to wheat this spring and the areas will be increased by the time that operations are concluded.

LEGAL CARDS

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Barristers and Solicitors.
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Lewis Duncan, Author of "The Law and Practice of Bankruptcy in Canada."
Wilson Building, 73 Adelaide St. West, Toronto, Canada.
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Our direct private wire connections enable us to offer prompt and efficient service in the execution of orders on The New York Stock Exchange, The Chicago Board of Trade and Winnipeg Grain Exchange.
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INVEST YOUR SAVINGS
in a 5% DEBENTURE of The Great West Permanent Loan Company
5% Interest Return
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Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,420.00

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Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

CANADA PERMANENT MORTGAGE CORPORATION
Quarterly Dividend
Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
THURSDAY, THE SECOND DAY OF JULY
next, to Shareholders of record at the close of business on the Fifteenth day of June.
By order of the Board.
WALTER F. WATKINS, Secretary.
Toronto, May 20th, 1925.
CANADA PERMANENT 70 YEARS 1855–1925
Established 1855

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DOMINION EXPRESS TRAVELLERS' CHEQUES
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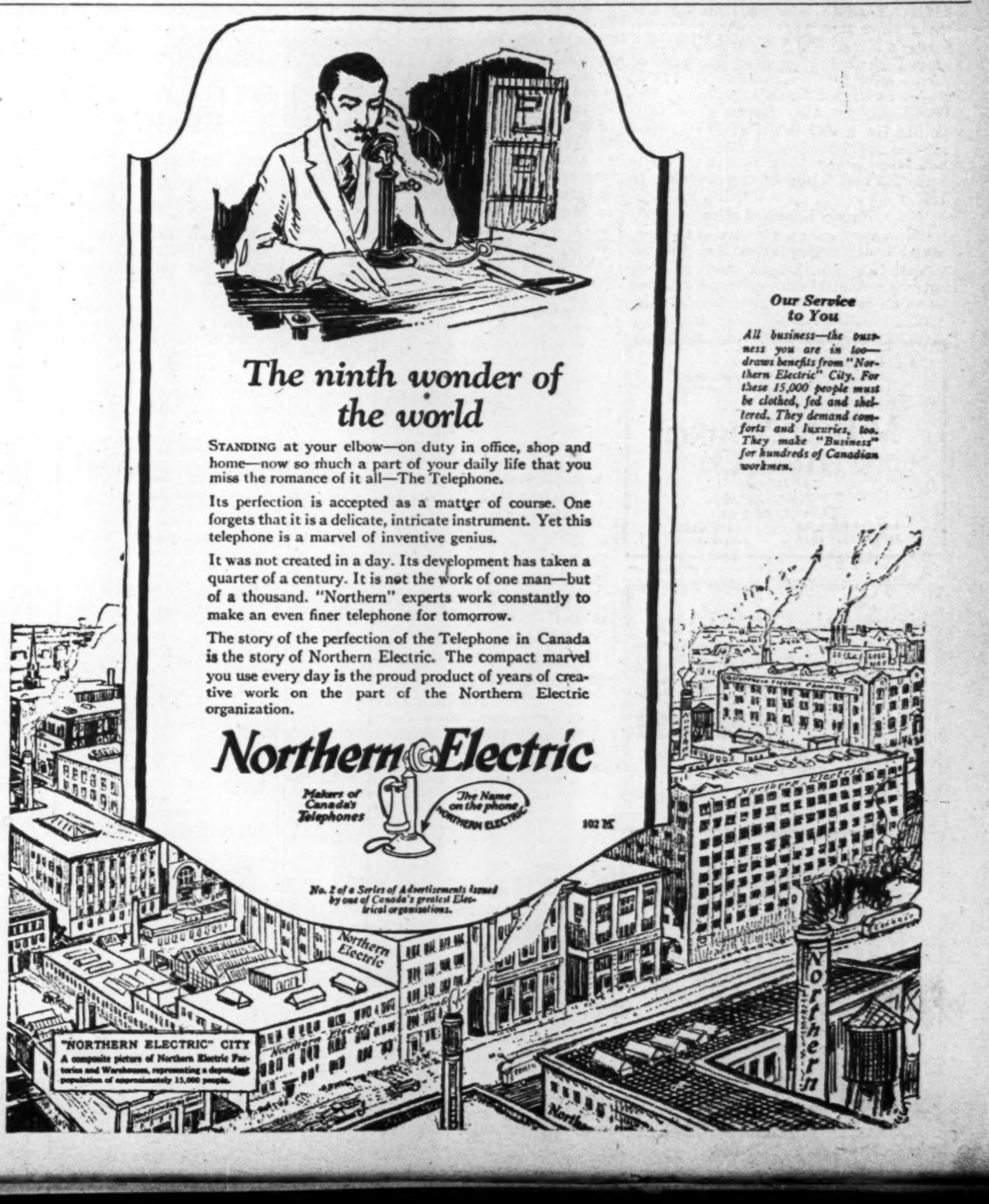

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Its perfection is accepted as a matter of course. One forgets that it is a delicate, intricate instrument. Yet this telephone is a marvel of inventive genius.

It was not created in a day. Its development has taken a quarter of a century. It is not the work of one man—but of a thousand. "Northern" experts work constantly to make an even finer telephone for tomorrow.

The story of the perfection of the Telephone in Canada is the story of Northern Electric. The compact marvel you use every day is the proud product of years of creative work on the part of the Northern Electric organization.

Northern Electric
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The Name on the phone NORTHERN ELECTRIC
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No. 2 of a Series of Advertisements issued by one of Canada's greatest Electrical organizations.

Our Service to You
All business—the business you are in too—draws benefits from "Northern Electric" City. For these 15,000 people must be clothed, fed and sheltered. They demand comforts and luxuries, too. They make "Business" for hundreds of Canadian workmen.

"NORTHERN ELECTRIC" CITY
A composite picture of Northern Electric Factories and Warehouses, representing a dependent population of approximately 15,000 people.

June Investments

Our list of offerings for June contains a wide selection of Government, Municipal and Corporation Bonds.

We will be pleased to forward a copy on request.

DOMINION SECURITIES CORPORATION LIMITED

MONTREAL OFFICE Canada Life Building
Established 1901 E. R. WOOD, President
LONDON ENG. OFFICE No. 6 Austin Friars
Head Office: 26 King Street East
TORONTO

The Securities Markets

HEAVY BUYING OF INVESTMENT STOCKS FEATURED WEEK

Surplus of Funds Leads to Considerable Buying of Better Issues

MARKET INDICATOR
(20 Industrial Stocks)

Week June 2		June, 1924	
High	Low	High	Low
77.5	75.2	68.2	64.3

The market has been featured by a good volume of investment buying during the week with the result that practically all the good investment stocks are commanding higher prices than they were a week ago. These include the banks and such issues as Bell Telephone, Consumers Gas and other good utilities as well as a number of the choice issues of the different groups. The whole market was somewhat more active and while gains were outnumbered by the losses, the number of inactive or neglected issues was small. Violent fluctuations were few, the greatest movement being the 10 point advance in Canners' common and 5½ in preferred.

Some brokers express wonder at the continued activity of the market when general business indications show a backward tendency. Utilities are showing a falling off in power sales and traction issues report that the slackening of business as well as the auto, has cut into earnings. Others voice the opinion that the activity is due to the fairly free supply of funds for investment and the lack of industrial demand. They state that a great deal of working capital that would under ordinary events be engaged in industrial production, is now seeking the best return with safety in other fields until called back to its rightful duties.

In the bank issues Commerce again passed the 200 mark, while Nova Scotia with a 2½ point advance reached a new high for the year, 267½. Toronto is up to 200 for the third time this year, compared with a year's low of 193 in February. Union moved up to 117½, eased a couple of points and later recovered to 116½. Royal the other issue involved in the latest merger also moved close to 2 points for a new high at 237⅞. Dominion moved up a couple of points but later eased back to 194½, while Imperial lost 2 and later recovered to 186.

Paper Group Active

The paper group continued to command considerable attention, the renewed Abitibi-Spanish merger talk carrying Abitibi common and the two Spanish issues to higher levels, Abitibi preferred seems scarce. Howard Smith common which closed last week at 35 is now selling back at 38. Other paper movements were fractional.

Twelve of the fifteen steel issues of importance were more or less active but only one showed more than a fractional movement. It was Dominion Bridge, which on the news of the new bridge contract sold up to 94, which brought out such a volume of selling that the price sagged back to 90.

Canada Bread was much in the limelight owing to the reorganization of its finances and the common sold within ⅜ of the March high at 124. The preferred came out five points over the last previous sale of two weeks ago and sold up to 107. Rather contrary to expectations and difficult to explain is the action of Maple Leaf Milling common, which on news of the Canada Bread plans sold up to 94, broke back four points during the week with the best bid at 87. Maple Leaf holding 13,000 shares of old Canada Bread common will have a large income from the new bread preferred as well as getting its share of the new common.

Utilities to Front

Four issues stood out in the utilities, Bell Telephone and Consumers' Gas, already mentioned, and MacKay common, which has been under heavy accumulation during the past two weeks at slightly higher prices. There are rumors of further expansions which may involve benefits to existing shareholders. Montreal Power came in for one of its periodical rises on fair buying, making a 4 point jump.

Rather interesting has been the market history of C.P.R. since the middle of March. Prior to that time it had fluctuated between 147 and 152, but the greater part of the year was around 150. The end of March saw it hit 137, a low for the year. By middle of April it was back to 145 and since then had worked up and down to 141 and back to 145 with the greatest regularity, it has been at 145 twice and 141 three times in the interval and is now at 141. Accumulation of Porto Rico has that stock selling at 42-42¼, while Winnipeg Electric, presumably on the report of decreased earnings, broke 3 to 45. The textile group was fractionally stronger, while some of the leading industrials provided some substantial trading. American Sales Book seems to be the Moore stock to come in for its share of attention of late and in two weeks had sold up 8 points to 50. B. C. Fishing, said to be the subject of a pool at Montreal, is again up, selling this week at a fraction under 42. City Dairy has been neglected for some considerable time and during the week dropped back 3 to 80. Good Year preferred has sold up to 97, a recent high. The company is working at capacity, turning out all the products it possibly can, according to C. H. Carlisle, the general manager. The present price war may hold profits down. Despite the drop in earnings shown, the report of Tucketts Tobacco got a good reception, the common moving up a point. The market seems to have dried up of Christie's new stock. There has been little offering during the week.

The trend of the market is shown by the following table:

Group	Gains	Losses	Unchg.	Total
Banks	6	4	.	10
Paper	5	1	6	12
Steel	5	7	3	15
Milling	4	3	3	10
Utilities	8	4	2	14
Tractions	2	9	2	13
Textiles	4	3	4	11
Industrial	14	22	9	45

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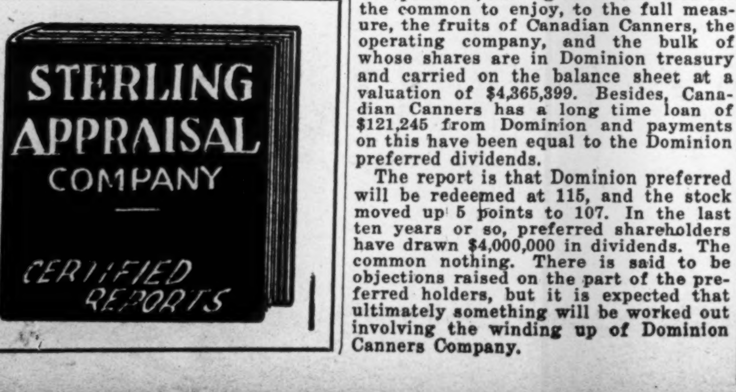

Dominion Canners Reaches New High

Dominion Canners common reached a new high of 110 this week on heavy buying. The demand was said to be due to a belief that a settlement with the preferred shareholders is not far off, and that if plans work out the preferred will pass out, leaving the decks clear for the common to enjoy, to the full measure, the fruits of Canadian Canners, the operating company, and the bulk of whose shares are in Dominion treasury and carried on the balance sheet at a valuation of $4,365,399. Besides, Canadian Canners has a long time loan of $121,245 from Dominion and payments on this have been equal to the Dominion preferred dividends.

The report is that Dominion preferred will be redeemed at 115, and the stock moved up 5 points to 107. In the last ten years or so, preferred shareholders have drawn $4,000,000 in dividends. The common nothing. There is said to be objections raised on the part of the preferred holders, but it is expected that ultimately something will be worked out involving the winding up of Dominion Canners Company.

TALK $2,000,000 PROFITS YEARLY FOR BIG MERGER

Asbestos Deal Announcement May be Expected Very Shortly

From Our Own Correspondent.

MONTREAL.—The first definite news of the consummation of the Asbestos merger comes in the monthly sales bulletin, published by the Maple Leaf Asbestos Corporation, which says:

"We are pleased to be able to notify our readers that the long looked for merger in Canada has been so far advanced that we feel at liberty to notify the trade in general that it may be taken as official that the merger is now an assured fact and will shortly be in operation."

Although it has been taken for granted for some time that the merger was an accomplished fact, yet those behind the move, or in any way connected with it, have not, until now, made any definite statement.

In the meantime, R. S. Goldthwaite, of Dillon, Read and Company, who has been in charge of the negotiations leading to the merging of all the Quebec asbestos operators, has returned from the United States where he has been completing many of the minor details in connection with the new merger. It is anticipated that Mr. Goldthwaite will make a public announcement of the final agreement shortly.

The Possible New Capital

It has been said that the new company will be able to show in its prospectus earnings amounting to 8 per cent. on the total capitalization after allowance has been made for depreciation; the way in which the dopsters have figured out the capitalization is as follows:

Bond issue	$5,200,000
7 per cent. cum. pref. stock	5,000,000
6 per cent. pref. stock ..	4,700,000
200,000 com. shares ..	No par value

Of course, these figures are not official, but merely represent current thought on the matter. There are those who are closely connected with the merger who hope that the new company will be able to earn about $2,000,000 annually and in view of this it may be of interest to see just what would be required in the way of dividends for the capitalization which has been outlined above. Here are the figures:

Bond interest	$312,000
1st pref. interest	350,000
2nd pref. interest	282,000
	944,000
Applicable to common ..	$1,056,000
	$2,000,000

From this it can be seen, that if these figures in any way approximate the actual capitalization of the new company, that earnings will be in the neighborhood of $5 per share on the new common stock. On the other hand, the largest company in the deal seldom had million dollar years.

The way in which, it is said, that the shareholders of the Asbestos Corporation will exchange their shares for shares in the new merged companies is as follows: for every share of common stock held, the shareholder will receive one share of new common one and 1/10 shares of new second preferred; the preferred stock holder will receive one share new common, one share new first preferred and 1/10 of a share of new second preferred.

SPLIT CANADA DRY GINGER ALE STOCK

U.S. Company, Though Young, is Already Declaring Big Stock Dividends

Directors of the Canada Dry Ginger Ale Inc., of Virginia, have approved plan calling for the exchange of its shares for those of a company of the same name, to be organized under the laws of Delaware, on the basis of four shares of stock of the new corporation for each share of the class A and class B stocks of the old corporation.

It is expected that the new shares will be put on a $1 annual basis. The old stock is paying $3 a year, so that the proposed dividend represents an increase of $1 a share annually. It is proposed to make application to list the new stock on the New York Stock Exchange.

The new corporation will have an authorized capitalization of 800,000 shares of no par, of which 428,000 shares will be outstanding. It is not proposed to issue the balance of 372,000 shares except in such amount as may be necessary to cover paid up subscriptions made under the old corporation's employees' stock subscription plan approved Sept. 22, 1924.

The present capitalization consists of authorized issues of 100,000 shares each of A and B stocks of no par value, of which 52,000 shares of the former and 55,000 shares of the latter, a total of 107,000 shares, are outstanding.

Canada Dry Ginger Ale is an American company formed two or three years ago by New York men who tasted this Canadian product in a summer resort in Canada and got United States distribution rights. The product has been put across in the States as an immense merchandising success.

Steel Buyers Are Looking for a Solid Price Basis

Reports from industrial centres still show improvement, but, as has been the case for some time past, the upward trend is in numbers rather than in size of orders. Evidently buyers want to be entirely satisfied that prices are going to hold before making extensive purchases and the demands now coming out represent, in a large measure, replacement requirements.

As for the market sentiment, it may be called fairly cheerful. Many supply firms are finding business easier to get than for some time. The month of May, generally, measured up to the totals of last year and, while prices have been on the downgrade, the cuts have not been much larger than those generally made in the spring of the year.

Totals of industrial and general construction, both started and announced as contemplated, during May, were larger than those of a year ago. Large supplies of iron and steel goods were consumed during the month in building work, and many new jobs have been announced.

Duluth-Superior Earnings Not Maintained at High

Net income of Duluth Superior for the first four months of 1925, as compared with the same period in 1924, was 266 per cent. higher, and, while extremely good, is less than the increase shown for the first quarter which was up 305.73 per cent. Operating revenues, operating income and gross income are also down. The following tables compiled by F. H. Deacon and Co., show the actual figures and percentages for the first quarter and the first four months.

First quarter—	1925	1924	% Incr.
Operating revenues ..	506.949	464,444	9.15
Operating income ...	77,265	46,364	66.65
Gross income	83,510	53,361	56.30
Net income	40,465	9,973	305.73

1st 4 Months—	1925	1924	% Incr.
Operating rev.	656,471	608,592	7.87
Operating inc.	94,131	60,788	54.85
Net income	45,990	12,546	266.00

CROW'S NEST COAL OUTLOOK BETTER

Crow's Nest Coal has shown considerable strength of late, the declaration of a three per cent. dividend bringing considerable buying and the stock sold up around 47, later dropping back three points. The outlook for the company is the best in years. Seemingly the labor troubles are at an end. The history of the operations for some years has been one of labor strife. This year the men broke away from the union and made a separate agreement with the company, and since then they have had continuous employment, a rare thing for this time of the year. The company is said to be having marked success in getting back its markets and the miners seem assured of steady work from now on. Reports from the West are to the effect that the men have not faced such a prosperous outlook in years.

STOCK REACTING TO CAN. BREAD CHANGE

Bread Shares Retain Gain, While Maple Leaf Milling Recedes Few Points

The proposal, discussed in a recent issue, to re-allot the shares of the Canada Bread Company, was unanimously approved by the shareholders at a special meeting called to discuss the plan which had been formulated and submitted by the directors of the company.

Under the new plan, the common shareholders will receive one share of the newly issued 7 per cent. class B preference stock, and one share of the newly-issued no-par common, in exchange for each share of common now held. It is agreed that in the event of the winding up of the company, holders of the preferred stock outstanding, as well as holders of the new preferred shares will first receive par for their holdings while the balance of the assets will be divided in three parts, one going to the original preferred shareholders, one to the class B stockholders, and one to the holders of common stock. The by-law making the readjustment reserves the right to call the class B preference stock at 110.

The new arrangement involves no change in the control of the company, the Maple Leaf Milling Company still maintaining control through its holdings of some 13,000 shares of the original common stock. This means that Maple Leaf Milling will receive class B stock with a par value of something like $1,300,000. While the milling company has benefited materially from the change, Maple Leaf common fell four points from the high point reached at the time of the announcement. Canada Bread common, on the announcement almost touched the March high of 124 3-8. Preferred opened the week at 5 points above the previous sale.

A notice has been sent out by the Canada Bread Company calling a second general meeting for June 13, to ratify a by-law for the payment of a stock dividend passed by the directors recently.

Dividend Notice

Canadian General Electric Company, Limited

Preference Stock Dividend No. 61

Notice is hereby given that a Dividend of one and three-quarters per cent. for the quarter ending the 30th day of June, 1925, being at the rate of seven per cent. per annum, has been declared on the Preference Stock of the Company.

The above Dividend is payable on and after the first day of July, 1925, to Shareholders of record at the close of business on the 13th day of June, 1925.

By order of the Board.
W. H. NESBITT,
Secretary.

Toronto, June 1st, 1925.

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Dominion Power and Transmission
Great Lakes Power Co.
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Montreal Light, Heat & Power Co.
Montreal Tramways & Power Co.
Northern Canada Power Co.
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CAN. CONVERTERS EARNED 7.24 P.C.; WROTE OFF LESS

Re-Appraisal of Plants Made Depreciation Charge Smaller

From Our Own Correspondent.

MONTREAL.—Canadian Converters more than earned its dividend in the twelve months to April 30. For several years Converters has maintained about the same rate of earnings and its ability to earn this dividend in the face of the depressed business conditions of the past few years is regarded as evidence of much greater earning power under normal trade conditions.

For the year ended April 30, the annual financial statement of the company, shows earnings equal to 7.24 per cent. on the capital stock of the company, as compared with 7.20 per cent. in the preceding year.

Profits Were Lower

Profits of subsidiary companies for the year as under review are shown at $129,808, while interest and profit on investment realized amounted to $24,663, making total profits $154,471, as compared with $193,778 in the preceding year. Bond interest amounted to $18,940, as compared with $23,940 in the previous year, a reflection of the bonds retired during the year. Depreciation, including reserve for income tax, amounted to $10,000, which left a balance of $125,531, as compared with $124,832 in the previous year, when there had been deducted $45,006 for depreciation and reserve for income tax.

The profit and loss accounts for the past three years compare as follows:

	1924-25	1923-24	1922-23
Profits	$154,471	$193,778	$202,300
Bond int.	18,940	23,940	23,940
Balance	$135,531	$169,838	$178,360
Deprec.	x10,000	x45,006	x46,551
Balance	$125,531	$124,832	$131,809
Dividends	121,345	121,345	121,345
Surplus	$ 4,186	$ 3,487	$ 10,464
Prev. surp.	xx651,308	655,822	645,358
Total P. & L.	$655,494	$659,309	$655,822

xIncluding reserve for income tax.

xxShows deduction of $8,000, allocation for expenses to moving "Black" plant.

Working Capital Down

The working capital position of the company in the current statement is slightly lower, with excess of current assets over current liabilities standing at $705,300, as compared with $764,625 in the previous statement. Among the quick assets, inventories are lower by well over $100,000, while among the current assets accounts payable are lower by over $50,000.

The working capital position of the company for the past three years compares as follows:

	1924-25	1923-24	1922-23
Cur. assets	$800,494	$921,308	$1,109,158
Cur. liabs.	95,194	156,683	360,308
Work cap.	$705,300	$764,625	$ 74,850

The only other feature in the balance sheet is the decline in the amount of bonds outstanding from $399,000 to $199,000 in the current report, as a result of the retirement and cancellation of the bond issue of the Standard Shirt Manufacturing Co., Ltd., amounting to $200,000. In respect to this operation it is interesting to note the company's investment account is lower by only about $160,000, the other $40,000 having come out of the year's operations.

Why Less Depreciation

The president, Jas. N. Laing, in his remarks to shareholders says in part:

"During the year the business of the John P. Black & Co., Ltd., was moved to the new quarters, 294 Lagauchetiere St., W., purchased last year, a much more suitable and convenient location. This building has been remodelled and put in condition to suit our requirements. The change has made a considerable reduction in our overhead charges. In order to show the result of the trading operations for the year apart from the expenses incidental to moving, the sum of $8,000 was allocated for this purpose and deducted from previous surplus.

"In vacating the old premises it was necessary to abandon the sprinkler and electric systems, and to scrap all obsolete machinery. This amounted to approximately $43,000 which had been previously provided for in our depreciation account, and is now written off that account.

"As an up-to-date appraisal has just been made of the plant at the new premises, and after making the above adjustments in depreciation account, and taking into consideration the balance now standing at the credit of this account, it was not considered necessary to provide so large an amount for depreciation as had been done in previous years."

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EXPECT FRASER WILL BUILD ANOTHER MILL

This One to Manufacture Newsprint Paper Will Go Up in Canada

MONTREAL.—It is stated that the next project of the Fraser Companies Limited, Edmundston, N. B., will be the construction of the newsprint paper mill in New Brunswick. The firm are now putting up a large mill in Madawaska, on the Maine side opposite Edmundston, and New Brunswick will be the next site for such an undertaking.

Archie Fraser, president and general manager of the Fraser Companies, in a recent interview, stated that the proposition would naturally be dependent upon cheap power being available which means, of course, the development of the Grand Falls. Then, he added, the future of the paper industry was another consideration. That, of course, is natural, but nobody has any real fears as to the future of the paper industry.

A one-machine paper mill requires 14,000 horsepower. At the lowest possible estimate a newsprint mill requires 1,400 horsepower of electrical energy, and the Fraser Company's plans are regarded as the explanation of financial interests with which they are allied for a block of 20,000 horsepower from Grand Falls, to which Premier Veniot referred during the recent session of the New Brunswick Legislature.

Confusion and Mystery in Price of Beer Stock

From Our Own Correspondent.

MONTREAL.—Confusion and mystery surrounds the action of National Breweries stock on the exchange here. Despite the fact that the beer war has persisted for many weeks now and has, it is declared, endangered the dividend of the company, yet the stock continues to hold firm, and in fact, even advance. Many shares are being sold, but there is always a ready buyer; one day this week, in the first fifteen minutes in which the market was open, over 2,000 shares changed hands and prices advanced.

Neither Frontenac nor Molsons Brewery interests will admit that the end of the war is in sight—these are the two firms which are squabbling and who have, more or less, forced National Breweries into the fray. But the prices at which the stock in "Beer" is changing hands tells an entirely different story, for if no termination of hostilities is in sight, who then, is buying "Beer" stock at prices which are too high considering the fact that the company has not been making money for some time past? Rumors say—and they have been saying it for a long time—that some settlement in the situation is about to be made and that those interested are keeping quiet about the deal until its final consummation. Meanwhile, many are wondering what just lies behind the present firmness in the market for the stock. They will probably have to wait until the smoke clears away.

LOWER PROFITS FOR STERLING COAL CO.

Fell From $6.26 Per Share to $2.82 For the Past Year

Sterling coal profits fell nearly $30,000 short of meeting the dividend payments of $100,000 on the common stock. Net earnings were equal to $2.82 on the 25,000 shares of common outstanding. This compares with $6.26 in 1924 and $4.88 in 1923.

Net profits, including earnings from investments, and after deducting operating expenses, cost of management, bond interest and provision for dominion income tax and depreciation of the Conger Lehigh Coal Co., Limited, amounted to $70,639, compared with $156,607 in the previous period. With the addition of the previous year's surplus of $489,768, there was available for distribution the sum of $560,407. Dividends at the rate of 4 per cent., and amounting to $100,000, were paid, and the balance of $460,407 carried into the new year.

Net working capital shows a reduction from $833,823 at the end of 1924 to $531,836 at the end of the period under review. Accounts and bills receivable show a big reduction at $179,139 against $354,987 in 1924.

Following is a comparison of the principal items of the balance sheet for 1925, with that of 1924:

Total assets	$4,605,535	$4,669,880
Liquid assets	1,178,957	930,340
Current liabilities	398,504	346,134
Net wkg. capital	581,886	833,823
Cash	41,312	62,606
Dominion Canada bonds	547,972	572,459
Receivable	179,139	354,987
Call loans	......	55,000
Inventories	161,916	133,905
Payables	356,526	302,882
Reserve	380,545	408,728
Surplus	460,407	489,768

President C. B. McNaught in his report to the shareholders has the following to say in part:

"As indicated in our last report, we entered this year with only two of our mines partially working. The trade conditions creating this situation intensified and continued throughout the period under review. Owing to the over-development of producing capacity in the bituminous coal industry of the United States, and the non-competitive differential between union and non-union wage scales, we, in common, with practically all mines in union fields, were forced to remain idle during the greater part of the year. Price levels declined to the lowest point since 1916, while union labor costs are still at the highest point. The result of this condition is so far reaching that no safe prediction can be made at this time as to its duration.

"Your directors are now considering proposals for the sale of the Ohio properties. You will recall that a general contingent reserve account was set up last year, which it is felt is ample to provide for the readjustment of the book value of our property account when same is finally determined.

"Our new properties, the Allied, and Capital Melrose Mines in West Virginia, while adversely affected by the present situation, are in a position to stand by under minimum cost, and your directors feel that with the return to anything like normal conditions in the coal industry, profitable operations should result.

"Fortunately, while the retail coal business has been unavoidably influenced by the conditions existing in the coal mining industry, the results of the Conger Lehigh Coal Co., Limited, are to be considered satisfactory. Development of this company's program of expansion has been proceeded with, and satisfactory results are looked for.

"Your company has maintained a strong liquid position and through its diversified operations is not as adversely affected by the present conditions as companies dependent solely on mining coal."

PACIFIC BURT OUTLOOK

Shareholders of Pacific Burt were told at the annual meeting, that while business of the company had shown a falling off in the past fiscal year, conditions were improved this year. Incoming business was larger than at this time a year ago, and the outlook was for a good trade for the year 1925-26.

STOCK MOVEMENTS OF THE WEEK

	Div. Rate	Yield	High for wk.	Low for wk.	Close June 2	Close May 26	Sales for wk.	Range 1925 High	Range 1925 Low
Banks—									
Commerce	12	6.00	201	200	201	200	483	210	194¾
Dominion	12+1	6.65	196	194	194½	196	82	200¾	189
Can. Nationale	10	6.66	150	150	150	150¼	25	151	148
Imperial	12	6.44	186	184	185½	184¾	51	193	184
Montreal	12	4.87	246½	245	246½	248	174	250	240½
Nova Scotia	16	5.98	267½	266¼	267½	265	5	268	262
Royal	12	5.06	237⅜	236½	237⅜	237	85	237⅜	227½
Standard	12	6.97	172¼	172¼	172¼	173	25	175	170
Toronto	12	6.00	200	199	199	199	180	221	192¾
Union	8	6.95	117½	115	116	116	139	117½	105
Paper—									
Abitibi, com.	4	5.55	75	69	74½	72	12281	75	62
do. pref.	7	6.48	..	..	..	..	..	108	101
Brompton Pulp		....	24⅜	23½	24	24	700	33½	21
Laurentide	6	7.43	81	79½	79½	81	553	96¼	78¾
Price Bros.	2	5.12	39	39	39	39	185	40¼	35⅜
Prov. Paper, com.	6	5.60	107	106⅞	107	107	50	110	88¼
do. pref.	7	6.86	..	..	..	..	..	102	95
Smith, Howard, com.		....	38	36½	38	35	110	42	21½
do. pref.	8	7.69	104¼	104	104	104	242	104¼	69½
Spanish River, com.	7	6.43	111¼	107	110	108¾	7217	114	87
do. pref.	7	5.76	122⅞	118	121½	118	1177	127	112½
St. Maurice Paper	6	6.97	86	86	86	85¼	125	86	83
Wayagamack		....	46½	44	44	46½	135	52	34½
Steel and Steel Industries—									
B.F. Steel, com.		....	2	1¾	2	1¾	399	3¾	1½
do. 1st pref.		....	27½	26	27½	25½	125	34	25¼
do. 2nd pref.		....	9½	7⅜	8½	7¾	613	11¾	7⅜
Can. Car & Fdry, com.		....	43¼	43	43	44½	100	57⅞	43
do. pref.	7	8.35	83¼	83	83½	83½	210	90¼	81¾
Can. Foundries, com.		....	..	..	..	..	..	35	20
do. pref.		....	..	..	..	..	..	50	45
Can. Locomotive, com.		....	..	..	..	..	..	72	64
do. pref.	7	8.23	..	..	..	..	..	90	80
Dominion Radiator	7	7.00	100	100	100	101	20	102½	100½
Dominion Bridge	4	4.36	92¼	90	90	92	371	94½	77½
Dom. Steel Corp., pref.		....	25	25	25	25	50	37	25
N. S. Steel, pref.		....	..	..	..	..	..	32	32
Ontario Steel, com.	4	7.14	56	55	..	56	100	56½	43
do. pref.	7	7.00	100	99	99	95	87	100	91½
Steel of Canada, com.	7	8.16	87	85¾	86	83¾	758	89	75¼
do. pref.	7	6.45	108⅞	108¼	108¼	108¾	258	112	105
Milling									
Canada Bread, com.	4	3.25	124	122½	123⅞	122	230	125	98½
do. pref.	7	6.57	107	106½	107	102½	113	107	100
Inter. Milling, pref.	7	7.10	98½	97	97⅛	98	64	102	97
Lake of Woods, com.	12	6.81	176½	176	176	177½	51	188	176
do. pref.	7	5.57	125	125	125	125	15	125½	121
Maple Leaf, com.		....	90	87	90	94	81	100	80
do. pref.	7	7.17	98	97½	98	98	36	101	96
Ogilvie Flour, com.	3¼	2.69	140½	140	140½	139	120	150	90½
do. pref.	7	5.51	127	126¼	127	126½	75	136	121
Shredded Wheat, com.	8+1	5.80	..	..	..	..	..	155	155
St. Law. Flour, com.	4	....	34	32	32	34	215	65	27
do. pref.		....	..	..	..	..	..	136	121
West. Can. Flour	8	7.14	..	..	..	..	..	112	107
Utilities—									
Bell Telephone	8	5.75	139	137	138¾	137½	1472	139	133
Consumers Gas	10	5.84	171	169	171	169	185	171½	164
Dom. Telegraph	6	6.00	..	..	..	..	..	50	38¾
Kaministiquia	8	7.80	..	..	..	..	..	125	100
Mackay, com.	7	5.71	123¾	121	122½	123	676	123¾	114½
do. pref.	4	5.83	69	68	68½	69	609	69½	67
Mexican Light, com.		....	25	25	25	25	100	26⅛	22
do. pref.		....	58½	58½	58½	60	50	62¾	57
Mont. L. H. & Pr. Cons.	8	4.27	189	184⅛	188	185¼	3430	189⅞	152
Montreal Telegraph	8	6.94	..	..	..	..	..	55	45
Ottawa L.H. & Pr.	6	6.06	99	98½	98½	99	125	105	96½
do. pref.	6½	6.43	102½	101	102	101	35	105½	101
Quebec Power, com.	5	4.95	102	98½	100¼	98½	1732	102	85
do. pref.	7	6.54	108	106¼	107	106¼	35	109½	103½
Shawinigan	7	4.72	149¼	147½	149¼	148	1137	149	103½
South Can. Power com.	1.00	....	79	78	78½	78	342	84	67
do. pref.	6	....	..	..	..	..	..	121	108¾
Laurentide Power		....	..	..	..	..	..	98	93¾
Transportation—									
Can. Pacific Rly.	10	7.08	145	140	140	145	114	152¼	130¾
Can. Steamships, com.		....	11¾	11½	11½	12	105	13¾	10
do. pref.		....	45¼	44⅞	45	45½	435	50	42
Tractions—									
Barcelona		....	21	20½	20½	21	51	23	18¼
Brazilian	4	7.54	54¼	52⅛	53	55	7009	57¼	49¼
Detroit Un. Rly.		....	8	8	8	7½	145	29	3¾
Duluth-Superior		....	39⅝	39	39	39½	140	42	35
Illinois Traction, pref.	6	6.28	..	..	..	..	..	95½	92
Montreal Trams	10	6.06	165	165	165	162	10	173	160
Ottawa Traction	4+1	3.03	..	..	..	..	..	68¼	35¼
Porto Rico Rlys. com.		....	42¼	41½	42	41¼	275	42¾	35¼
do. pref.	7	8.00	87½	87½	87½	88	25	91¼	84
Quebec Rly.		....	..	..	..	..	..	23½	20
Twin City, com.	4.00	5.97	70	65¾	66	69¾	1720	70	58
do. pref.	7	7.21	..	..	..	..	..	97	94½
Winnipeg Elec, com.	1	....	48	45½	45¾	47¼	1815	49½	35¼
do. pref.	7	7.36	95	95	95	95	46	98	88
Textiles—									
Can. Conn. Cotton, pref.	1	....	..	..	..	..	..	50	40
Can. Converters	7	8.33	85	84	84	85	26	87	80
Can. Cottons, com.	8	6.83	117	117	117	115	50	115½	106
do. pref.	6	6.52	92	92	92	92½	40	95	90
Can. Woollens, com.		....	11	11	11	11	5	14½	5
do. pref.		....	..	..	..	..	..	58	45
Dom. Textile, com.	4.00	5.11	78½	76½	78	77½	3963	90	66
do. pref.	7	6.06	115½	115¼	115½	115½	60	116	111
Monarch Knitting, com.		....	..	..	..	..	..	45	30
do. pref.		....	48	48	48	48	15	80	45
Montreal, Cotton, com.	6	6.09	..	..	..	..	..	99	95
do. pref.	7	6.14	..	..	..	..	..	121	99
Penmans, com.	8	5.06	158	158	158	157	55	159	144
do. pref.	6	6.06	100⅛	99	100⅛	157	66	101	99
Wabasso Cotton	4.00	7.00	57	57	57	57	50	60	56
General Industrials—									
American Salesbook, com	4.00	8.04	50½	48	49¾	47	505	50½	38
do. pref.	7	7.60	92	91	92	91	28	93	58
Asbestos, com.	1	....	79½	77	77¼	79	920	88	35
do. pref.	6	5.51	110¼	108½	110	111¼	1290	112	78½
Atlantic Sugar, com.		....	26⅜	24⅞	26	25⅞	1290	27¼	13
do. pref.		....	65	64	65	67	40	82	40
Bird & Son, pref.	7	8.43	..	..	..	..	..	83	80½
B. C. Fishing		....	41	37¼	40½	37⅜	10475	41	19
Burt, F. N. com.	10	4.76	53½	52½	53	54	690	54¼	44
do. pref.	7	3.88	..	..	..	..	..	180	142½
Canada Cement, com.	6	5.72	105	104½	105	105	953	110½	90¼
do. pref.	7	6.19	113½	112	113½	113	155	115½	107
Cons. Rubber, pref.		....	..	..	..	..	..	90	86
Can. Gen. Electric, pref.	7	6.54	53½	51	53¼	53½	263	55	51
Can. Indust. Alcohol	1.28	7.76	16¼	15¾	16	17	3278	20½	15¾
Canadian Salt	8	6.66	..	..	..	..	..	129	112
Carr Factories, com.		....	..	..	..	..	..	2½	1
City Dairy, com.	12	3.70	80⅞	79	80⅞	82¾	328	87¼	65
do. pref.	7	6.60	..	..	..	..	..	110	104½
Crows Nest Coal	3	6.74	47	44	44	47	173	48	35
Cuban Can. Sugar, com.		....	5¾	5	5	5½	67	10	5
do. pref.		....	32½	32¼	32¼	32½	70	44	31½
Dom. Canners, com.		....	110	99½	109½	100	3340	110	56½
do. pref.	7	7.01	104½	99⅝	104½	99½	1159	104½	94
Dom. Glass, com.	7	6.19	113	112¾	113	114	35	116⅞	108½
do. pref.	7	6.30	..	..	..	..	..	112	110¼
Dominion Stores, com.	1.00	....	32½	32	32½	32	39	34	28½
do. pref.	8	8.08	101	101	101	99	25	101	71½
Wm. A. Davies		....	26	25	25½	26	255	32	24
Eastern Theatres, com.		....	14	14	14	14	25	15	14
do. pref.	7	9.52	..	..	..	..	..	76	73½
Ford Motor	10	....	..	..	..	..	..	512	512
Goodwins, com.		....	..	..	..	..	..	50	50
do. pref.		....	..	..	..	..	..	80	75
Goodyear Tire, pref.	7	7.31	97	95¾	96½	95¾	112	100½	90
Frontenac Brew.		....	80	80	80	65	8	80	54
do. pref.		....	100	100	100	..	3	100	100
Holt, Renfrew, com.		....	..	..	..	..	..	21	20
Gilman, com.		....	95	90	95	90	185	90	80
do. pref.		....	..	..	..	..	..	107	106
King Ed. Hotel		....	..	..	..	..	..	27	20
Lyall Construction		....	27	26	26	28⅞	120	29	11
Macdonald, A.		....	..	..	..	..	..	11¼	4½
National Brew, com.	4.00	7.47	56	52¼	52½	54	13322	68	41¼
do. pref.	7	7.07	99	99	99	99	3	106½	98
National Brick, com.		....	..	..	..	..	..	18	15
do. pref.	7	9.45	74	73½	74	73½	120	79½	71
Pacific Burt, com.	6	6.41	..	..	..	..	..	96	93
do. pref.	7	6.86	102	102	102	102½	42	107	102
Port Hope Sanitary, com		....	60	60	60	50	10	60	53
do. pref.	7	7.69	91	90⅜	91	92	45	92	88½
Pure Gold Mfg.	50c.	....	..	..	..	..	..	25¼	23
Rogers, Wm. A. com.		....	61	58	58	60	58	65	58
do. pref.	7	7.93	..	..	..	..	..	95	88
Russell Motor, com.		....	..	..	..	..	..	35	-24
do. pref.	7	7.93	..	..	..	..	..	86	74½
Sawyer Massey, pref.		....	12½	12	12½	12½	50	12¼	5
Sherwin Williams, com.	6	4.70	127½	127	127½	128	50	128	108½
do. pref.	7	6.43	108¾	108	108	108¼	10	110	104¾
Sterling Coal	3	....	42	40	42	44	35	53	40
Tooke Bros. pref.		....	56½	56½	56½	56	5	56½	27
Tuckett Tobacco, com.	4	5.97	68	65	67	67	175	70	55
do. pref.	7	6.94	101	101¼	101	106½	357	106½	79
Woods Mfg., com.		....	..	..	..	..	..	..	..
do. pref.	7	10.00	70	70	70	71	25	88	69
Trust and Loan—									
Canada Land	10	5.37	95	93	95	93	72	95	80
Can. Permanent	12	6.03	208⅛	208⅛	200⅛	200	2	209	190
Colonial Invest.	6	....	4½	4½	4½	4½	19	4½	4
Hamilton Prov.	10	6.45	..	..	..	..	..	156	154
Huron & Erie	7	5.60	..	..	..	..	..	125	125
Landed Banking	9	6.33	..	..	..	..	..	142	142
Montreal Loan	12+1	7.29	..	..	..	..	..	48	45
National Trust	12	5.47	..	..	..	..	..	233	210
Ontario Loan	11	5.50	..	..	..	..	..	109	90
Real Estate Loan	7	8.04	..	..	..	..	..	88½	87
Toronto General Trusts	12	5.71	..	..	..	..	..	212	208
Toronto Mortgage	10+1	5.93	..	..	..	..	..	92	90
Union Trust	7	8.23	..	..	..	..	..	80⅛	80⅛

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D. U. R. TO ISSUE CERTIFICATES

MONTREAL. — In order to obtain more working capital, the receivers of the Detroit United Railways, Joseph W. Simard and the Security Trust Company have filed with the United States courts an application for permission to issue $1,600,000 of receivers certificates. The date for the hearing of the application has been set for June 8.

UNLISTED SECURITIES

Industrials, Utilities, Etc.—	Bid	Asked
Anglin Norcross	60	..
Brooks Steamer (1 pref., 2 com.)	..	7
Can. Machinery, com.	4½	7
Can. Machinery, pref.	14	18
Canadian Oil, pref.	94	96
Can. Westinghouse, com.	145	148
Cockshutt Plow, pref.	32	34½
Cosgrave Brewery	5½	6¼
Dryden Paper	..	4
Dom. Comb. Mill (1 pref., 2 com.)	30	40
Dom. Power, pref.	93½	96
Durant (A)	5	6
Durant (B)	6	7
Durant (C)	7½	8½
English Electric, pref.	33½	36
Famous Players, com.	12½	13½
Gunns, Ltd., pref.	30	34
Imperial Tobacco	6¾	7¾
King Edward Hotel Deb. A.	66	70
King Edward Hotel, Deb. B.	42	46
K. & S. Tire, pref.	8	10
Loew's Toronto, com.	27¾	28½
Loew's London, com.	50c	1¼
Loew's Ottawa, pref.	14	17
Massey-Harris	48	52
Mount Royal Hotel, com.	3	4
Mount Royal Hotel, pref.	23	26
North Mexico Power, com.	34	36
Manitoba Power, com.	17	19
Rickenbacker Motors	3½	4½
Simpson, Robt., pref.	97½	99
Paton Mfg., com.	45	47
United Securities, com.	54	56
Western Grocers, pref.	28	32
Loans and Insurance—		
Capital Life	21	24
Chartered Trust	78	90
Continental Life	30	33¾
London Loan	45	..
Manufacturers Life	62	67
Mortgage Disct., pref.	6½	7¼
Monarch Life, 10% paid	16	18
Peoples Loan	75	81

Johnny Canuck's Health

The fascinating story of the medical profession in Canada—of the pioneer days when men fought against disease with only the most rudimentary equipment, and of these wonder-days when insulin and other cures have added years of happiness to countless numbers—is told in "Looking After Johnny Canuck's Health," by John Nelson in

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FACTORIES AT
MONTREAL, TORONTO, OTTAWA
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HEAD OFFICE:
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Pulp and Paper

MAY BE PERIOD OF LOWER PROFITS IN NEWSPRINT

But a Great Future for the Industry Seems to be Assured

From Our Own Correspondent.

MONTREAL.—There are some who may feel that the newsprint industry will meet depression, that prices will fall, the industry will become over expanded and the stockholders will possibly suffer through a reduction of dividends. It is possible that a bearish outlook on the newsprint situation may be justified in view of the indicated increase in production during the next few years, but at the same time, despite the sensitive market for this commodity, there are many things which would indicate an assured future.

In the first place there are many in close touch with the industry who feel that the economic trend of newsprint manufacturing is toward Canada. As a proof of this is pointed out the fact that for the first time, last February, Canada's output of newsprint exceeded the output of the United States; others feel that the recent taking over of Riordon by the International Paper Company and the definite announcement by that concern that the intention is to concentrate the company's newsprint activities here, but indicates similar action on the part of other companies. As production of newsprint increases in the company's plant here, the newsprint plants in the States will be turned over to sulphite or to kraft production.

There is perhaps a good simile between the newsprint companies and the lumber companies. In the old days the lumber companies operated in the southern portions of the State of New York. These in turn were supplanted, through purely economic reasons, by those companies which operated farther north, until now, the lumber companies have moved either to Northern Canada or to the northerly portions of Michigan and Maine. It is well within the bounds of possibility that as newsprint production increases in this country, there will be several newsprint producers of the United States which will fall by the wayside. These companies have had their markets for many years; their machinery is more or less not up to date and production costs in Canada are lower. Either some of these mills will close up entirely, figuring that they have made their money, or else they will move across the border.

One other thing about newsprint prices. Although they have been falling, after all why should they not have dropped? Since 1920 prices of all commodities have taken decided declines and it was but natural that newsprint should follow the price trend. Then again, costs of production have had a decided fall, so that all in all, these lower prices are not quite so bad as has been sometimes indicated.

As to over-production, the bugbear of many, this is possible, but in the past there have been many mills which have curtailed their production to a considerable extent because of this menace and the shareholder has continued to receive his dividends. No doubt companies will curtail production again in the future. As to the expansion programme of some of the companies on the over-extensive side—it has been ever thus, for to obtain markets, companies must be ready to meet the demand, otherwise the business goes to other concerns.

All these are bullish arguments, but looked at from all angles, there still seems to be some tendency towards lower profits in the industry even though the expansion of the industry over a period of years seems assured.

ABITIBI COMPANY WILL EXPAND TO USE POWER

New Power Line Route is Being Laid Out at Present Time

From Our Own Correspondent.

MONTREAL.—The negotiations which were completed recently by the Abitibi Power and Paper Co. and the Hollinger Consolidated Gold Mines gives the former company a power development which is now producing 25,000 horsepower. Abitibi has not taken over the plant at the moment, but will do so shortly, as soon as the final details have been arranged.

The engineers of the paper company are in the field ascertaining the best route by which the power line may bring the power to the mill. While this power is being constructed, two more units will be added to the development which will give the Abitibi Power and Paper Company a surplus of 50,000 horsepower. At the present time the company has sufficient power to look after its mill requirements and some are wondering to what use the power will be put until such time as extensions to the mill will utilize all the supply.

One of the arrangements made to take care of this temporary power surplus is the installation of electric boilers which will be placed in the mill this summer. With regard to mill expansion, plans are now being laid whereby two or three new paper machines will be added which will eventually lead to the use of all the power. Steam would then only be generated by power in the off-peak periods.

Possibility of a Merger

The possibility of the merger between Spanish River and Abitibi has long been understood and it is thought that negotiations are well under way, though when they will be concluded is merely a matter of guesswork. During the year, International Paper has gone ahead with plans which will give it a mass production of newsprint in Canada; this will handicap individual operators in this country to some extent and will be an incentive to paper mergers here, including the Abitibi-Spanish River deal.

The Spanish River Pulp and Paper Mills has, during the current year, made overtures for control of Kaministiquia Power Company, this coupled with the fact that Abitibi has taken over Hollinger power development at Island Falls shows that both companies are looking well ahead and laying plans to take care of future production. The figures, which were quoted freely earlier in the year as being the basis of the merger, were 1 1-5 shares of new stock for each share of Abitibi common; two shares of new stock or each share of Spanish River common and 2¼ shares of new for every share of Spanish preferred. There are outstanding but $1,000,000 of Abitibi preferred, so that the exchange of this small amount is but a minor detail as considered in the light of the magnitudes of the remainder of the deal.

On an initial dividend basis of 5 per cent. it has been figured that the new stock should be worth around $70 which would give the present Abitibi an 84 value, Spanish common 140, preferred 157½.

MINERS ARE EAGER FOR CALL TO WORK

Besco Can End Present Strike Whenever It Desires to Resume Operations

From Our Own Correspondent.

SYDNEY.—It is now apparent that Besco has the strike well in hand and can end it overnight whenever industrial conditions and the demand for coal warrant it. The bulk of the miners are "fed up" with the situation and will welcome any move that will put them back at work at any reasonable wage rate. Since last Thursday, strike relief has failed and hundreds of miners are very hard up. The weather on the eastern coast is still cold, and it will be some weeks before actual summer conditions can be expected.

It is only by the greatest exertions that the men can be held together much longer. One New Waterford local has already taken an informal vote which indicates practically a unanimous decision to return to work. No. 11 local at Glace Bay has refused to be responsible for the repayment of any part of the $120,000 which the district executive desires to borrow. Springhill is nearly unanimous for a return to the pits and Sydney Mines men openly declare their readiness to call off the strike.

The government has been appealed to by the Glace Bay town council for action under the recent Industrial Peace Act, but owing to the law's proverbial slowness, the strike may collapse before this is granted; and even at that the government cannot compel the company to operate its mines on any given wage scale. The U. M. W. executive is evidently determined not to make the first move.

The company could get at least 75 per cent. of its miners back to-morrow simply by blowing its whistles, but evidently prefers to have the first overtures come from the strikers. Or it may possibly be that economic conditions and demand for coal do not justify reopening of the pits at the present moment. Whenever the company decides to post its rates and call for miners the strike will be over automatically.

FRASER CO. PROGRESS

SAINT JOHN.—Good progress is being made on the new mill of the Fraser Company at Quisibis. Machinery is now being installed. The supply of logs for the new mill has been cut on the limits recently leased from the Randolph Baker Company. The Fraser Company estimate that the total cut of logs in their various mills this year will be approximately two hundred million feet.

Three New Directors at P. Lyall Meeting

From Our Own Correspondent.

MONTREAL.—At the annual meeting of P. Lyall and Sons Construction Co., three new directors were elected. They were J. W. Pyke, Hugh MacKay and C. R. Redfern and they took the places made vacant by the withdrawal of J. N. Greenshields, H. M. Scott and Robert Scott.

The president, William Lyall, in speaking of the work at Esquimalt, stated that the company's organization there should be kept intact as there was hope of securing additional contracts in Vancouver. In referring to business in the east, Mr. Lyall said that some improvement was in evidence but competition was extraordinarily keen. Work on the parliament buildings at Ottawa was finished, and it will require six months to complete the Esquimalt contract. The company had received fairly remunerative contracts on both these jobs.

Two directors spoke and indicated that the outlook for the shareholder is better than for some years past.

Questions asked brought out the fact that the company was steadily acquiring its plants from the government; that government payments were being made satisfactorily; that the parliament buildings contract had been fully paid; that the company controlled the Westmount garage which was proving profitable and that directors were not acting as sub-contractors on the Welland Canal order. It was also pointed out that the company has two years' work ahead.

Dominion Textile Has Increased Dividend

From Our Own Correspondent.

MONTREAL.—The increase in the dividend of the Dominion Textile Company, from 4 to 5 per cent., may perhaps be taken as an indication that the company expects in the future some improvement in the textile situation in this country. The increase in the dividend will take place on July 1 when the shareholders will receive a dividend of 1¼ per cent. instead of 1 per cent. as formerly.

The increased return to the shareholders forced the stock to new high levels for the year and Canadian Cottons stock also reached new high levels, due probably to shareholders noting the hope for the future as indicated by the higher dividend of Dominion Textile.

The business done by all the textile companies during the first five months of 1925 has shown a marked improvement; it is but natural that some of the stocks have responded by moving upward to the generally increased activity in this line.

Plans for a modern cold storage and creamery building at Edmonton, involving an expenditure of possibly $100,000, inclusive of equipment, are being made by the P. Burns Company.

A little higher in price, but—
what a wonderful difference
a few cents make
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Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

Public Utilities

SOUTHERN CANADA POWER'S EARNINGS ARE ON INCREASE

Directors Inspect Progress of Work on Company's New Plants

From Our Own Correspondent.

MONTREAL.—The monthly statement of earnings issued by the Southern Canada Power Company shows that the company's earning power is making rapid strides. The gross revenue for the month of April was over $10,000 in excess of the corresponding month of the preceding year, while the net earnings have increased even more than the gross, due to the lower operating expenses.

For the first seven months of the fiscal year the gross is up $54,047; the net earnings have increased $22,043 and total $366,731. The figures compare as follows:

April—	1925	1924	Increase
Gross Earnings	$96,750	$86,472	$10,278
Oper. exp.	39,710	40,413	x 703
Net earn.	57,040	46,059	10,981
Seven Months, Ending April. 1925.			
	1925	1924	Increase
Gross Earn.	672,771	618,724	54,047
Oper. Exp.	306,040	274,036	32,004
Net Earn.	366,731	344,688	22,043

xDecrease.

Directors Visit Plant

At the end of last week, the directors of the company took the opportunity to inspect the completion of the work at Hemmings Falls on the St. Francis River, a few miles above Drummondville, P. Q. Here the company have installed a further two units in its plant.

The contract for the work was let in August, 1923, and the work has been completed within the specified time and within the estimated cost of construction.

All the units at the site have been installed and five out of the six are in operation. The last unit will begin to generate power shortly. When the last unit goes into operation, the company will produce from this site a maximum of 36,000 h.p. Of the five units now in operation, two are filling a contract with the Shawinigan Water and Power Company for 10,000 h.p. for that company's customers situated in the asbestos producing district of the eastern townships.

After inspecting the work at Hemmings Falls, the party of directors returned to the town of Drummondville where they visited the company's first plant.

Older Plant's Capacity Increased

Since power became available from Hemmings Falls, this plant in Drummondville has been closed to allow the installation of two additional units which will give this plant a total production of 18,000 h.p. and will give the company a maximum capacity of 50,000 h.p. This is considered sufficient for present requirements, but looking to future needs, the company are in possession of several additional power sites.

At the Drummondville plant, blasting and excavation work is making satisfactory progress and it is expected that by the autumn, sufficient progress will have been made to permit the installation of the new machinery.

The directors report themselves as being well satisfied with the progress being made at Drummondville and also with the completion of the Hemmings Falls operation.

The Southern Canada Power Co. has conducted a number of successful customer ownership campaigns in the districts which it serves and, it is anticipated that a further campaign along these lines may take place later in the year.

D.U.R. Receivers Would Spend $1,660,000 on Lines

Detroit United Railway receivers want the courts of Michigan to sanction an issue of receivers' certificates totalling $1,660,000 to finance various improvements. These are listed as "change and improvements, $184,056; land contracts, $241,210; miscellaneous, $173,000; probably unavoidable requirements listed as miscellaneous, $163,974, and Wyandotte Division, $160,300.".

Then follows "desirable improvements," which include payment on cars now being used under equipment notes, and also ten new one-man cars, all to the amount of $700,390.

In the item of necessary changes and improvements of $184,056 appears the item of $100,000 in connection with the company's work in the widening of Woodward Avenue between Detroit and Pontiac.

The motor bus requirements as filed include the necessary equipment amounting to $679,599. An item of $185,000 to complete payment of the Star Motor Coach Line and $66,550 in connection with the purchase of a majority of stock of the Public Service Transit Company also is included.

Quebec Railway Shares Have Lower Par Value

From Our Own Correspondent.

MONTREAL.—The shareholders of the Quebec Railway, Light, Heat and Power Company have been notified to exchange their share warrants for shares in the new stock which is to be issued. At a special general meeting of the company held some time ago, the shareholders authorized the reduction of the par value of the stock from $100 to $25, hence the necessity of the exchange.

It will be remembered that the shares in the company in 1923 were exchangeable with those of the Quebec Power Company on the basis of four shares of the old for one share of the new. In the meantime, the Quebec Power Company, a subsidiary of the Shawinigan Water and Power Company, has obtained over 90 per cent. of the outstanding stock, so that this reduction in the capitalization is really in the nature of a bookkeeping entry only. The move brings the capitalization more in line with the actual assets.

The few remaining shareholders, who have not turned in their stock for shares in the Quebec Power Company, will receive the new stock on and after June 15 at the office of the company's transfer agents, the Montreal Trust Company.

Engineers to Analyze Value of 'Peg Electric

From Our Own Correspondent.

MONTREAL.—The city of Winnipeg's engineers, including J. G. Glassco, the manager of the Hydro-Electric, and W. P. Brereton, city engineer, will undertake an analysis of $13,127,000 valuation asked by the Winnipeg Electric Company for its street railway system.

This valuation was submitted by the company to the special negotiating committee of the city council and this committee will await the report of the engineers before making any recommendations to the city council.

EARNINGS REFLECT BUSINESS DECLINE

Power Sales and Railway Returns of Winnipeg Electric Are Off

The April showing of Winnipeg Electric Railway was marked by a decline in gross receipts of about $15,000 but operating costs show a much greater cut, $26,000. Gross for April was $416,019 and net $131,416. With capital charges and taxes, with other income deducted total $90,055 leaving net operating income $41,362.

The railway earnings were responsible for the drop in gross. Weather conditions during April were more favorable for the use of automobiles and for pedestrians, which, with the increase in the number of automobiles in use and business conditions generally, all contributed to the decrease in the gross earnings of the railway utility. As an offset, there is a decrease in the operating expenses of the railway utility of approximately the same amount. The gross earnings of the electric utility show an increase of approximately $5,000, while the operating expenses of this utility show a decrease of approximately $10,000. From an analysis of the principal large power consumers practically every account shows a decrease in the consumption on account of a decrease in their output, resulting from business conditions. The increase in the gross of this utility is, therefore, due to a continued building up of the load, and had conditions been anywhere near normal, or on a comparable basis with last year, the increase in this utility would have been considerably greater. The gross earnings of the gas utility show a decrease of approximately $6,000, and the operating expenses a decrease of approximately $4,000, the decrease in the gross earnings being due principally to a rate adjustment so as to place gas rates on an equal basis with electric rates. The net income from operation for the month shows a slight increase over April, 1924, this irrespective of the fact that there was a decrease in the gross earnings of all utilities combined, and an increase in fixed charges.

C.P.R. April Earnings Again Show a Falling

For the third month this year C. P. R. earnings show a decline for April, the decline for the year being about $1,000,000 below a year ago. The April figures represent the poorest showing for any April in years. The figures compare:

April—	1925	1924
Gross	$12,608,788	$13,806,121
Work. exp.	11,160,188	12,051,204
Net profit	1,448,599	1,754,917
Four months ending April—		
Gross earn.	49,223,559	55,094,604
Work. exp.	43,919,278	48,890,639
Net profits	5,304,281	6,203,965

BUSY 1924 FOR QUEBEC

The year 1924 was the most active in water power activities in the history of Quebec province. This applies not only to new water power installations actually brought into operation, amounting to some 175,000 h.p., but in greater measure to developments actually under construction and nearing completion.

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CALGARY GAS HAS INCREASED ITS SALES VERY MATERIALLY

Much Larger Supply of Gas Available — Expansions Under Way

Since the publication of Canadian Western Natural Gas, Light, Heat and Power of Calgary annual statement for the fiscal year ending Sept. 30, the company has made very satisfactory progress. The past winter proved to be a cold, steady one, and has materially increased the gas sales. With an entirely adequate gas supply for all purposes and with the improved relationship with the public a still further improvement is anticipated by the company. An extensive programme of the distribution system both in Calgary and Lethbridge will materially increase the number of gas users in both cities and with the adjustment of the rate question the potential earnings from all places outside Calgary should bring a further improvement in finances next year.

To further augment the present development work in the foremost field is being rapidly pushed forward, and it is planned to have three or four wells completed during the summer. Work on the cleaning out of the United No. 3 well is in progress and it is expected to show a good production.

In the Turner Valley field 40 miles from Calgary, considerable drilling is being undertaken and as soon as the scrubbing plant for gas at No. 4 Royalite, which at present is showing approximately 17,000,000 cubic feet per day, can be installed, this supply will be available, together with any further supply that may be developed.

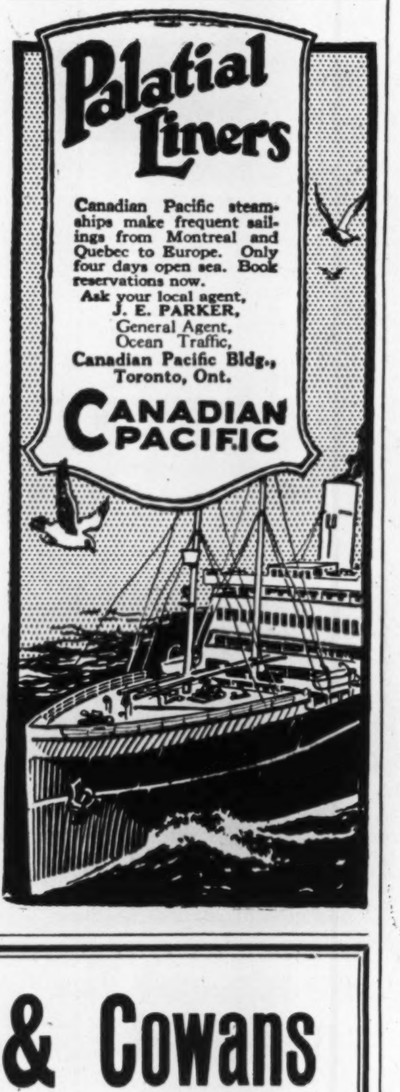
With a supply of natural gas that has proven entirely adequate through a severe winter, and with increased production in two separate fields and with known supplies in other fields that have not yet been developed, together with the looked-for increase in population in the cities and towns served by the company's system, officials believe the company is entering on a period of prosperity that will make it an outstanding feature in the big public utility companies of Canada.

The last report showed gas consumption of 2,046,257,000 cubic feet, an increase of 80,682,000. This netted $918,597, of which $907,194 was from domestic consumers.

MARCONI PRESIDENT RESIGNS

MONTREAL.—The president of the Marconi Wireless Telegraph Company of Canada, Charles G. Greenshields, K. C., has resigned; also, G. M. Bosworth has resigned his office as director in the company.

Dr. Milton L. Hersey, a director, has been elected president and H. M. Short, the general manager, takes the place on the board vacated by Mr. Bosworth and becomes the managing director of the company.



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CANADIAN PACIFIC

TUCKETT TOBACCO PROFITS ARE DOWN

Sales Were Greatest in History But Cheaper Brands Were Favored

Tuckett Tobacco for the fiscal year ending March 31, reports profits $311,558 or $6.86 per common share as compared with $361,279 or $8.84 per share for the previous 12 months. The necessity of the public to economize which resulted in an inclination to lower-priced brands, is the explanation for the decline advanced by Pres. H. S. Ambrose. Sales were the largest in the company's history.

Dividend disbursements took $240,000, $140,000 on preferred and $100,000 on common, leaving $71,558 surplus compared with $121,279 in 1924. The amount brought forward was $762,457 and the surplus now stands at $834,015.

The president calls attention to a change in balance sheet construction, goodwill, trade marks being separated from property account, the latter being $1,154,390 and goodwill and trade marks, $2,478,672. This makes a total for the two of $3,633,061 and in 1924 it was $3,004,812. Reserves stand at $620,264. The balance sheet shows investments $206,600 or about $107,000 less, while cash, $158,756 shows an increase of about $130,000. Bills and accounts receivable at $469,473 are down from $528,514.

Profit and loss accounts compare as follows:

	1925	1924	1923
Profits	$311,558	$361,279	$250,313
Pfd. divs.	140,000	140,000	140,000
Balance	$171,558	$221,279	$110,313
Com. divs. ...	100,000	100,000	100,000
Surplus	$ 71,558	$121,279	$ 10,313
Prev. surp. ...	762,457..	641,178	630,865
Total surp.	$834,015	$762,457	$641,178

WESTERN FARM LANDS IN DEMAND

REGINA.—Mortgage companies holding land in trust report sales of land in the Regina plains at prices ranging around $50 and $60 an acre. Norman Linton recently bought a half-section in the Willmar-Wordsworth district for $7,680. His father farms an adjoining section. R. Robinson purchased a quarter section in the same district for $3,200. He farms three quarters adjoining.

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Statement to the Dominion Government (Condensed)
April 30, 1925

Head Office
MONTREAL

LIABILITIES	
Capital Paid up................................	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	1,143,806.90
Notes in Circulation	26,552,977.74
Deposits	496,736,935.52
Due to other Banks	19,655,818.27
Bills Payable (Acceptances by London Branch)	6,660,623.24
Letters of Credit outstanding	27,144,322.45
	$618,694,484.12
ASSETS	
Cash on Hand and in Banks	$107,795,148.04
Deposit in the Central Gold Reserves	9,000,000.00
Government and Municipal Securities	84,776,855.14
Railway and other Bonds, Debentures and Stocks ..	19,088,657.80
Call Loans in Canada	20,591,261.05
Call Loans elsewhere than in Canada	51,389,740.49
	$292,641,662.52
Loans and Discounts	281,909,039.25
Liabilities of Customers under Letters of Credit as per contra	27,144,322.45
Bank Premises	13,535,391.05
Real Estate other than Bank Premises	2,034,144.77
Mortgages on Real Estate sold by the Bank	409,924.08
Deposit with Dominion Government for Security of Note Circulation	1,020,000.00
	$618,694,484.12

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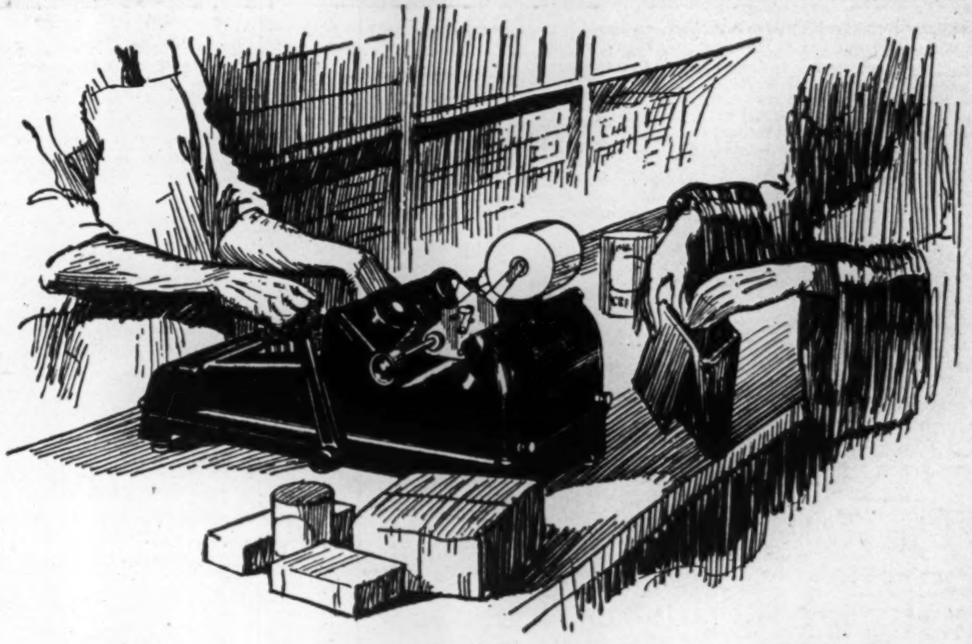

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News of the Mines for the Investor

NO GEOLOGICAL CHANGE AS YET ON THE HOLLINGER

Noah Timmins Tells Shareholders His Grounds for Optimism

That it was a relief and pleasure to state that there were no occurrences of moment to apologize for as had been his unpleasant duty on many previous occasions, was President Noah Timmins' opening remark to shareholders at the annual meeting of Hollinger Mines:

The board have adopted and are definitely committed to the policy of greater production and we are increasing both the stocks of broken ore and pushing the underground development in order to secure a sufficient volume of reserves to assure continuous operation on the larger scale.

Practically all the crushing machinery is installed, and at the moment tanks and other appliances for chemical treatment are being erected. All of these have taken, and are going to take a lot of money, and I and my colleagues are convinced that it will be invested for the best interest of the shareholders, for we will then be able to treat low-grade and difficult ores in large quantities and thereby assure them of regular and reasonably sufficient dividends.

We believe that the Hollinger is a great mine and that our programme must be determined by a corresponding breadth of vision and courage.

The vexatious power situation has been cleaned up, and we think, with justice and fairness to all parties concerned. I wish to point out the particular benefits accruing to the Hollinger.

First: We have disposed of our power plant without loss.

Second: We have made a satisfactory contract with the power company both as to rates and reliability of supply.

Third: We have secured what I might describe as power "peace with honor" in the north country, by the absolute cancellation of all the litigation which has help up our plans and hindered our programme for the last five years.

With regard to ore reserves, our policy has been to only announce what we definitely know.

You must bear in mind that a very large amount of capital, more than $3,000,000, must be continuously employed in deadwork, which means wihout interest, in order to keep this feature of the mining work 3½ years ahead of production. We feel that you will agree with us that our policy is conservative and still at the same time not wastefully so.

On the other hand you might properly enquire—on what do you base your faith for the future? My reply is, we have found that from the surface to the lowest depths there has been no geological change in the ore or in the surrounding country rocks by the development as shown by our shafts and boreholes, and we have the further benefit of the experience of our immediately contiguous neighbors who are working in the same class of ground under improved conditions, and at much lower horizons than we have yet reached. They are at present engaged in making very large capital expenditures toward increasing the scale of their operations. You must, therefore, recognize that we are fully justified by this data in our continued optimism.

Mr. John Knox, who comes to us from the Calumet and Hecla Company in Michigan, has joined our staff and we will have great benefit and assistance from his experience in solving problems of the future.

I am glad to confirm the announcement of the increase in the announcement of the increase in the rate of dividend from five cents to eight cents per share four-weekly, and I am sure that this policy will meet with the approval of the shareholders.

MAKE CLOSE STUDY OF PLACER FIELD

Geologists Are Going Into Cassiar in North-west Part of B. C.

From Our Own Correspondent

VANCOUVER.—In an effort to have a scientific analysis made of the Cassiar goldfield, which has attracted a new stampede into the furthest northwest of British Columbia, the provincial government has sent a party of geologists to Dease Lake to carry on exploration work throughout the summer months. The federal government has assigned W. A. Johnston and Dr. F. A. Kerr to obtain exact information regarding the district through disinterested examination. They will work under the auspices of the Geological Survey of Canada. Nothing of the kind has been done in the Dease Lake country since 1887 when the task was undertaken by Dr. G. M. Dawson and R. G. McConnell.

Dr. W. E. Cockfield is also to return to the Cassiar this summer to make a topographical survey of the country Reports from the Cassiar from prospectors continue to be optimistic, in spite of the fact that for almost fifty years a large section of the ground around Dease Lake was prospected with indifferent results. The early 'seventies were the best years in the Cassiar from a mining standpoint, but interest in the camp soon petered out when the mines of Omineca, Lightning Creek and other Cariboo sections, and later the Klondike became the centre of attraction.

Will Patricia Provide the Next Big Silver Camp?

Considerable attention is being focused on the District of Patricia. It is stated that Nipissing Mining Co. has sent a party of prospectors out there. Tommy Powell and other prospectors have already been in the field, all looking for silver. Last fall one engineer assured The Post that as soon as the snow was off the ground and there was time to stake, news of a new find out that way was to be expected. It should be about due. A new silver camp is needed in the North.

DISPOSE OF DISPUTED FUNDS

A settlement in the Porcupine Davidson mine dispute is made. The $200,000 which the Standard Bank paid into court goes to the mining company with the exception of $25,000 to H. H. Sutherland.

Says Canadian Mine Finance Methods Are Inherently Rotten and Unsound

Some of the heads of English mining concerns have evidently taken the Davidson and Bingo cases to heart without apparently any investigation as to the facts. At the recent meeting of the Seluwke Co., which controls B. C. Silver, Cromwell Hockley, chairman and managing director, had the following remarks to make on Canadian mining:

> "A number of prospects have been submitted to us with a view to our taking a participation, but so long as financial methods as practised in certain Canadian mining circles, which in our opinion are inherently rotten and unsound. are adhered to, the field must be developed by others. Canadians are always deploring the absence of British capital and advocating patriotic economics, but unless they at the same time will allow the application of efficient interaction of capitalization and administration, appeals to the English investor will remain fruitless." (Hear, hear).

Ontario Metalliferous Output is on Much Higher Basis

Gold and Nickel-Copper Mines Provide Bulk of Increase for First Quarter of Year — Steady Expansion Noted

ONTARIO STILL BARREN OF IRON ORE PRODUCTION

The quarterly report of the Ontario Department of Mines for period ending March 31, says: **Ontario iron mines neither raised nor shipped ore during the quarter.**

Ontario's metalliferous production for the first quarter of 1925 is up to expectations in the matter of increase, being close to $3,000,000 above the same period of a year ago. The total is $14,349,411 as compared with $11,575,151. This is on a yearly basis of $57,300,000 or nearly $6,000,000 increase, which was practically general for all metals. Gold with $1,200,000 increase and the nickel mines with a material increase in nickel and copper production value, lead the way. The gold output for the quarter, according to the official figures of the Department of Mines is on a basis slightly under $28,000,000. Indications are that the second quarter will better this as Barry Hollinger will be an added producer to the list while other increases are to be expected.

The figures:

	Year 1922	Year 1923	Year 1924	3 Mos. 1924	3 Mos. 1925
Gold	$15,506,896	$20,136,287	$25,669,262	$ 5,735,882	$ 6,949,636
Silver	5,609,625	7,105,745	6,717,975	1,532,694	1,702,120
Nickel	3,691,430	9,572,662	11,300,590	2,722,990	3,905,978
Copper	773,659	3,456.067	3,808,544	863,848	1,038,652
Cobalt	......	....	1,421,827	406,250	550,319
Platinum	......	1,418,633	1,891,497	126,782	37,695
Others	1,321,837	2,649,647	809,116	186,755	165.011
	$26,923,637	$44,339,041	$51.634,888	$11,575,151	$14,349,411

The Porcupine gain was $684,614. In this connection the showing of Consolidated West Dome is considered splendid. On a basis of $80,000 for the three months, it has established a production in keeping with the early production days of several other properties.

Hollinger production, it will be noted, is on a basis $1,000,000 higher than a year ago and it is expected that by the end of the year this will be from two to three million higher. There have been estimates that Hollinger is now on a $16,000,000 basis. Dome is unchanged, at capacity in so far as tonnage is concerned, while McIntyre is also unchanged. The latter company will soon be able to handle 200 tons more daily, as soon as it has provided the necessary means of getting the ore to surface and the mill. The increase in Lake Shore and Wright Hargreaves tonnage is well reflected in the increased earnings for the quarter. Both are close to a $2,000,000 basis. Teck-Hughes is slightly down, but this is due to the fact that the company is giving more attention to development than to immediate mill results. Tough-Oakes shows slightly better. Unfortunately the tonnage figures are not available so that it is impossible to work out the content of the ore which the mines are handling, a valuable point, especially with the newer producers. The Kirkland Lake increase over a year ago is $507,975, though Kirkland Lake gold is absent from the producers. The figures:

	Year, 1923 Total Output	Year, 1923 Average Per ton	Year, 1924 Output	Year, 1924 Average Per ton	1st Quarter, 1924 Output
C. W. Dome	....	....	60,765	7.43	80,488
Dome	3,228,843	11.39	4,309,624	8.72	1,053,543
Hollinger	7,264,717	7.15	13,433,063	8.09	3,632,954
McIntyre	2,065,642	10.55	3.625,492	9.28	867,437
Night Hawk	....	....	258,618	6.07	47,457
Vipond	....	....	603,234	11.53	146,864
Argonaut	33,633	6.17	152,072	6.70	10,397
Lake Shore	396,590	24.00	1,104,550	19.66	443,152
Teck-Hughes	835,413	21.77	1,035,338	23.44	225,290
T.-O.-Burnside	....		47,548	5.63	52,157
W.-Hargraves	592,058	10.20	1,094,462	12.96	427,998
Kirkland Gold	187,852	5.16	46,512	5.78	......
Total	14,577,315		$26,089,105		$6,992,533

The production of silver during the quarter, due to the re-entrance into the shipping list of Gowganda and an increase in the production by the South Lorrain mines, showed a gain both in quantity and value. There was a slight falling-off, however, by the mines at Cobalt. Companies shipping over 400,000 ounces of silver are given in order: Nipissing 884,922, Mining Corporation and subsidiary companies 464,275 ounces (at Cobalt 200,083, at South Lorrain 264,192), and Keeley 420,738 ounces. Ore shipments reported by the T. and N. O. Ry. were 1,622 tons to the Deloro smelter, 1,372 tons to the United States and 504 tons of residue to Europe. The average New York price of silver was 68,242 cents per ounce as compared with 63.921 for the corresponding quarter in 1924. Details by areas follow:

	Ounces 1924	Ounces 1925	Value $ 1924	Value $ 1925
Cobalt	1,747,504	1,518,657	1,113,205	1,030,154
S. Lorrain	601,660	684,930	380,020	465,114
Gowganda	......	235,425	......	158.010
Gold refin.	45,846	55,065	29,203	37,326
Nickel-copper refining	16,322	16,983	10,266	11,517
Total	2,411.332	2,511,060	1,532,694	1,702,120

In the nickel-copper operations, principal gains were in matte exported and metallic nickel marketed.

SILVER AND OTHER METALS

June—	1	2	3	4
Silver—				
London, (d.)	31⅝	31⅝	31⅝	31 11/16
New York	—	68⅛	68⅝	68⅝
Copper	—	13⅝	13⅝	13⅝
Lead	—	8.40	8.40	8.40
Zinc	—	7.05	7.02	7.00

MINING STOCK QUOTATIONS

WEEK ENDING JUNE 2

	Par Value	Div. Rate	Yield	High for wk.	Low for wk.	Close June 2	Close May 26	Sales for wk.	Range 1925 High	Range 1925 Low
Apex	$1	....	....	2½	2½	2½	2¼	1000	6½	2½
Algonquin	1	....	....	..	..	..	..	..	3	1
Argonaut	1	....	....	27	24¾	25	26¼	58300	48	22½
Atlas	1	....	....	3⅛	3	3⅛	3¼	4950	5	3
Baldwin	1	....	....	3¼	2	2⅞	2¼	82400	7	2
Beatty	1	....	....	..	..	..	..	..	1⅞	¾
Barry Hollinger	1	....	....	43½	40	40½	43½	21500	50	40
Beaver	1	....	....	28½	27	27¼	28¼	12300	37	25¾
Bidgood	1	....	....	6⅞	6¼	6⅝	7½	24450	16¼	5½
Boston Creek	1	....	....	..	..	..	..	..	7	4½
Buckingham	1	....	....	3	2½	3	2½	12000	5⅝	2½
Can. Lorrain	1	....	....	33½	32½	32½	35	4900	50	32½
Capitol	1	....	....	33	28	28	33	9900	37½	26½
Castle Tre.	1	....	....	77½	75	76½	76½	29250	85	71
Clifton Con.	1	....	....	7	6	6½	6½	25350	25¾	6
Coniagas	5	5	15.6	1.60	1.55	1.60	1.50	1100	2.30	1.45
Cons. Smelters	25	6	1.8	84¼	79⅝	80⅝	84	6201	84¼	48
Cons. W. Dome	1	....	....	14	12¾	13⅛	13¼	80180	22	11
Col. Kirkland	1	....	....	5	3¾	4¾	5	62400	10½	3¾
Crown Res.	1	....	....	28	26	26½	28	54700	54½	26
Davidson C.	1	....	....	2½	2½	2½	2½	1000	5	2¼
Dome Mines	None	2	14.2	14.55	14.00	14.25	14.65	1580	16.50	12.90
Everett	1	....	....	6	5¾	5¾	6	11000	10	4¾
Gold Reef	1	....	....	2	1	1¾	1⅜	61500	2	1
Goldale	1	....	....	20	15½	16	15½	176300	22½	14¾
Hattie	1	....	....	1⅛	¾	¾	¾	18500	2¾	½
Hattie P.		....	....	7½	4⅜	5¼	5	78450	67	4⅜
Inter. Nickel,com.	25	....	....	..	..	..	..	..	30½	24¾
Hollinger	5	20.80	7.0	14.90	14.75	14.80	14.80	4201	15.65	13.35
Hunton	1	....	....	5¼	4¾	5¼	5¼	11000	8½	4¾
Inspiration	1	....	....	9	9	9	9	500	10	7
Indian	1	....	....	8	7	7	8½	14000	17	5
Keora	1	....	....	10¼	9	10¼	10	27200	19½	9
Keeley	1	24	13.4	1.85	1.75	1.78	1.85	14930	2.32	1.75
Kirk. Lake	1	....	....	40	38¾	40	39¾	1700	50	35
Lakeside	1	....	....	8½	6	6½	8½	56700	15¾	6
La Rose	1	....	....	48¾	36½	48	47½	7450	55	7½
Lake Shore	1	20+5	4.3	5.95	5.72	5.80	5.75	5105	6.10	4.51
Lorrain T. L.	1	5	4.8	1.05	1.03	1.03	1.12	400	1.34	1.03
Lorrain	1	....	....	15¾	13¾	15⅛	15½	28900	24	12¾
McIntyre	5	20	5.6	17.90	17.71	17.85	17.88	4192	18.25	16.00
McKinley	1	....	....	28¼	27	27	28	23300	44½	15¾
Mining Corp.	5	....	....	2.50	2.40	2.50	2.45	3074	3.16	2.40
Moneta	1	....	....	13½	13¼	13¼	13½	2000	18¼	13
Newray	1	....	....	18½	17	18½	19	7300	28½	17
Nipissing	5	12+6	18.00	5.00	4.90	5.00	5.00	1180	6.80	4.65
Night Hawk	1	....	....	24	24	24	24¾	1500	49½	24
Ophir	1	....	....	3¾	3¾	3¾	3⅞	500	7⅞	3
Pete Lake	1	....	....	7⅜	6⅞	7	7¼	20200	12	6⅞
Porc. Crown	1	....	....	4	4	4	3½	1000	8	3½
Premier Gold	1	32	14.2	2.33	2.25	2.25	2.35	3860	2.58	2.15
Preston E.D.	1	....	....	7⅛	6¾	6⅞	7⅛	8030	12	6¾
Teck Hughes	1	....	....	1.35	1.28	1.32	1.32	34375	1.49	1.23
Thomp. Krist	1	....	....	1¾	1½	1½	1½	8000	3	1
Timiskaming	1	....	....	17	17	17	18	500	30	15
Tough Oakes	5	....	....	30	25	27	25	75200	45	20
Trethewey	1	....	....	19	18	19	19	15050	22	16¼
Victory Silver	1	....	....	17½	17½	17½	17	2000	31	14
Vickers	1	....	....	4	4	4	4¼	5000	20½	4
Vipond Cons.	1	....	....	1.10	1.01	1.08	1.09	35566	1.42	1.01
Wasapika	1	....	....	1¼	1¼	1¼	1½	500	3⅜	1
West Tree	1	....	....	2½	2⅜	2½	2¾	13300	5	2¼
Wettlaufer	1	....	....	4⅜	4	4	4⅜	6000	16	4
Wright-Har.	1	20	4.5	4.45	4.35	4.45	4.35	1600	4.95	4.15
Oil Companies										
B.A.Oil	25	2+2	6.4	39½	39	39½	39¼	951	41¼	36½
Imperial	25c	25c	7.6	34	32¾	32¾	33¾	4269	34½	27½
Inter. Pet.	5	25c	1.0	27	25½	25½	26⅝	235	28¾	22
Continental	.	25c	0.9	26¾	26	26	26⅝	52	29	22¼

SMELTERS MAY PUT UP BIG LEAD-ZINC PLANT ON COAST

Threatened Invasion of European Operators to Buy Ore May Hasten Action

From Our Own Correspondent.

VANCOUVER. — Prospect of establishing a smelter on the British Columbia coast has been revived as a result of the growing interest of foreign ore purchasers in the mining resources of this province. Business interests believe that rather than export large quantities of raw ore for manufacture in foreign countries, British Columbia should make a concerted effort to have the ore smelted here.

Officials of Consolidated Mining & Smelting are said to be confident of a permanent demand from Europe for British Columbia's lead and zinc, and it is recalled that on numerous occasions the management of that company promised that it would build a smelter to treat lead, zinc and precious metal ores when market conditions justified such action.

Recently, according to reports from the east and from Trail, a survey of the situation has been completed, indicating an advantage to the company in locating a plant on tidewater to compete with foreign demand for ore and concentrates.

The action of J. Nivette, representative of a Belgian smelter and refinery, leading the world in volume of production, in arranging to take concentrates from a zinc-lead property located between Trail and Kellogg, Idaho, for European smelting is reported to have made a profound impression upon the big Canadian refining company at Trail.

Not only is the company faced for the first time with active competition from abroad in the very territory in which it is operating, but also with the contingency that the Belgian and German smelters will make contracts with mine operators along the British Columbia coast that might make establishment of a smelter at Vancouver difficult, since sources of ore supply could be drained by other purchasers.

Efforts are also being made to interest long-established Welsh smelting and refining companies in the opportunity for operating a plant on the southern British Columbia coast. A representative of a local purchasing firm has gone to England for that purpose.

Prices have been favorable for some time and the prospect of a sustained high level is expected to induce capital to come here that a few months ago was extremely hesitant.

Lorrain Cons. Now on Regular Shipping Basis

Lorrain Consolidated is now shipping ore regularly, a car of milling ore weekly, which runs 15 to 50 ounces to the ton and a car of smelter ore, 500 to 1,000 ounces, every few weeks.

While Nos. 2 and 5 veins, cut on all three levels, the 100, 175 and 250, and which run north and south, have produced some cobalt with a little silver, it is on the number one vein, which is cut on the 100 and 175 foot levels, and runs east and west, whence production is coming from stopes on both levels.

Development on the north and south systems goes on. No ore is coming from here, but the faces are getting into a much falted and broken up zone that is promising. The two veins are fairly close to each other in places, at times both being included in the one drift.

The Golden Province

The people of Ontario will approve of the plan of the Hon. Charles McCrea, the Minister of Mines, to send out properly qualified prospectors to search for minerals in unexplored sections of Cobalt, Porcupine and Sault Ste. Marie. The search will not be confined to gold and silver, but for minerals of all kinds. It is said that the discoveries in the Porcupine district have been the most valuable made during the past twenty-five years anywhere in the world; that would go to prove what may be expected in the future. There are minerals more valuable than gold and the Minister of Mines is wise in having these sought for. Altogether it looks as if Ontario will go on deserving the name of the Golden Province, says Kingston Standard.

MUCH ACTIVITY IN B.C. MINE SHARES

Portland Canal Issues Are Attracting Considerable Attention Lately

VANCOUVER.—The stock exchange is experiencing considerable trading in mining shares; the most active being Premier, Selkirks, Daly, Alaska, Silvercrest and L. L. Glacier. Gladstones has just been listed. From repeated failures to success, after years of untiring effort, this property has been placed on the dividend list. Lately the company reported an important strike which adds materially to the value of the mine. The first sale was at 26 cents.

Selkirks have exhibited more activity lately, owing to the proximity of time when American interests are expected actively to engage in developing this property. The market value of the shares represents a small portion of the money which has been expended on the property and a fraction of the cost of mill alone. The property, formerly known as the "Nugget," was the largest trader on the market for some time, and it appears likely that it may again become active.

Daly, Alaska, which has shown a great reduction in quotations from a few months ago, is again being traded in at higher prices. Interesting news is expected at any time affecting the future of this property.

Dunwell remains quiet. Victoria still expresses certainty of a deal going through for the sale of control to a large operating company. In the event of this conclusion being consummated, Glacier Creek is looked upon as having big possibilities, owing to the fact that they have ore bodies particularly useful to any company operating Dunwell.

Preparations for opening up work on Georgia River gold mines is under way. Shares of the company will be handled by Eastern interests, also in Spokane, Wash.

New Corporation Reported to Plan B.A. Nickel Operation

Anglo-Canadian Mining and Refining, a company with a Dominion charter, is said to be planning to take over B. A. Nickel, recently sold for $5,000,000 to undisclosed interests. The company is said to be capitalized at 100,000 shares to be allotted at not less than $25. Those in control of the new organization have not yet been disclosed. Burton Holland is said to be making an appraisal of the assets of the nickel plant.

MAKE PUBLIC BUY SHARES

(Continued from page 1)

mining shares and one not so susceptible to manipulation. The market has been acting funny for some considerable time and those in opposition to marginal trading freely blame it on this method of trading.

They figure that it will be much easier to finance a mining venture through the market and this will encourage the listing of new stocks. Besides, eliminating much of the marginal trading would put all brokers on a more even basis and perhaps break the strangle hold which the margin houses to-day have on the bulk of the mining business.

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"Mining Methods in Porcupine"
is the title of an interesting article by Geo. Cole, Inspector of Mines, in the latest issue of the Mining News.
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Current Events in Banking World

LOSING ACCOUNTS MAY GROW RESULT OF MANY CHEQUES

Managers Should Watch the Effect of Change in Stamp Tax

After the 1st of July there will be no stamp tax on cheques for sums under $5. This will be a great convenience and some saving to the public—but what will it mean to the banks? It seems inevitable that more cheques will be issued. And as cheques represent expense to the banks—expense which involves loss in many cases where there are many small items in relation to the balance maintained—it becomes a matter of live importance to the managers, and especially so in these days when the cost of doing business and small margins of profits demand that something be done to curtail unprofitable accounts.

Of course I am not trying to argue that because of the tax there will be any great number of people who will issue two cheques for say, $4.50 instead of one for $9, to have the two cents. But there will be some who will do even that. And there will be many who will use cheques for the payment of small accounts which are now being paid in cash. People will not carry so much cash about with them as they do under the present arrangement where $50 can be drawn for the minimum tax and small accounts paid in cash without further tax. Again there may be a tendency to pay such items as gas, electric and telephone bills by cheques rather than cash and to meet small periodical accounts more promptly rather than have them accumulate until they make a sum on which the stamp tax would apply.

With the rise in the cost of stationery and other supplies, and the advances which have been made in salaries, the costs of doing banking, like the costs of doing most other kinds of business, have materially increased. Unprofitable accounts are unpopular. The result has been general checking-up by the banks to either eliminate such accounts altogether or to impose a moderate service charge when the number of cheques drawn is out of proportion to the balance maintained. Savings accounts which are drawn upon too frequently in relation to their value are changed to current accounts where no interest is paid and if the service then rendered is still out of proportion to the balance maintained a service charge is usually imposed.

While the banks generally have adopted these methods of stopping leaks through unprofitable accounts, there are no general rules that can be enforced. In all cases the circumstances must be considered and that puts it largely up to the branch manager to deal with the situation. A customer may have one unprofitable account and another which is valuable to the bank; or he may have business connections and influence which bring the bank benefits indirectly. These and other things must be considered.

Altogether experience has shown that the problem of cutting down the number of unprofitable accounts and the stopping of leaks in this, as in other directions, is very largely one for the branch manager to work out. And the abolition of the tax on small cheques promises to increase the number of such cheques issued to the extent that managers will have a new reason for checking up accounts about which they are dubious from the standpoint of profit and loss—J. W. T.

RESPONSIBILITY FOR FORGED ENDORSEMENT

Laws Are Different as to Liability in Canada and the United States

NEW YORK.—If a Canadian bank pays a check drawn on it, on a forged endorsement, it will not be compelled to make the amount good to the real owner. In this respect the Canadian practice is the opposite to that of the United States where a bank is held liable for honoring a forged endorsement. An American bank in the West recently learned this fact, says the Wall Street Journal. A check was drawn on a bank in Canada, a third person got possession of it, forged the name of the payee and cashed it at the Canadian bank. Upon discovery of the wrongful act the American called upon the other bank to make it good, and the latter declined on the ground that it cashed the check in good faith in the usual course of business, and thus was within the law.

However strange this may appear to American business, it is strictly according to the Canadian law of 1882, relating to checks, notes and bills of exchange. Section 60 says:

"When a bill payable to order on demand is drawn on a bank and the banker on whom it is drawn pays the bill in good faith and in the ordinary course of business, it is not incumbent on the banker to show that the endorsement of the payee or any subsequent endorsement was made by or under the authority of the person whose endorsement it purports to be, and the banker is deemed to have paid the bill in due course although such endorsement has been forged or made without authority."

The Department of Commerce, referring to this incident, calls attention to the Canadian method of "crossing" checks in order to prevent such frauds. This is done by drawing two parallel lines across the face of the check and writing the words "and Co" between them. It then can be cashed only by depositing with the payee's or endorser's bank.

This is not a perfect remedy, but it diminishes the opportunity for frauds, as a crossed check cannot be collected over the counter. Crossing does not affect the negotiability, and it is a material part of the check which cannot be in anywise altered.

Only when he has been ordered to stop payment on a check does a Canadian banker become liable for paying on a forged endorsement. Otherwise he is free from all responsibility in regard to an endorsement if he acts with ordinary caution and in the usual course of business. He is, however, liable for paying when the signature of the drawer is forged; that is a risk from which the law does not exempt him.

BANKS DIFFER ON ADVISABILITY OF RETURN TO GOLD

Disagree With Regard to Probable Results of Immediate Action

An interesting difference of opinion exists between the two largest Canadian banks, the Bank of Montreal, and the Royal Bank of Canada, with regard to the advisability of Canada returning immediately to a gold basis, following the action of the British Government. The heads of the Bank of Montreal take the view that conditions are not yet ready for a return to the gold standard. The Royal Bank, on the other hand, takes the view that such action should have been taken many months ago.

In an interview on his recent return from Great Britain, Sir Vincent Meredith stated that while the return of Great Britain to a free gold market constitutes one of the most important financial events of recent years, the position of Canada is entirely different. Sir Vincent emphasizes the fact that the action of the British government was an experiment and that no one could yet say what the result would be. He drew attention to the fact that the export of small amounts of gold had already raised discount rates in London immediately. Sir Vincent stated that he is strongly convinced that Canada should await the evolution of the only true gold basis, viz: a less unfavorable balance of trade with United States, "or some other at present undisclosed condition which would render it safe and desirable for Canada to take the risk. He added that Canada is not in possession of the necessary reserve of gold, should she be called upon to meet large withdrawals. This would require the establishment in the United States of a credit for the purpose, a costly proceeding and one which for many reasons should be avoided.

Following a careful analysis of the probable consequences to Great Britain of the return to a free gold market the Royal Bank, in their current monthly letter, stated that they are heartily in accord with the attitude which has been taken by the British government and British financial institutions. They state that they have been consistently advocating the resumption of gold payments by Canada for the past two years, both because they realized what advantage Canada would gain, and because resumption could be adjusted without any difficulty, since Canadian currency has been close to par throughout the period. In support of the action of the British government the letter says:

> Under such circumstances, the almost unanimous agreement of British financial institutions in advocating the return to the gold basis must have been founded upon the belief that their prosperity was dependent upon the general welfare of British industry, and that a currency policy should be dictated by the course of action which will make for the greatest general prosperity. They understood that the process of deflation had already taken place, that the difficulties involved had already been largely overcome, and that it only remained for the British people to entrench themselves in the position already gained.

Government Handout to Home Depositors is 35%

The grant of the Dominion Government of $5,450,000 for the relief of Home Bank depositors will mean a distribution of approximately 35% of the total sum involved. Depositors have already received 25% of the total sum which was advanced by the Canadian Bankers' Association and most of which has been repaid through realization of assets. It is anticipated that from the assets there will be an additional 5% to 10% for the shareholders, making a total of 60% to 65% total realization.

Merger to Further Reduce Volume of Bank Clearings

OTTAWA.—The amalgamation of the Union Bank with the Royal Bank will reduce the number of Canadian chartered banks to 11. When the more than 300 branches of the Union Bank are merged with the 500 odd branches of the Royal Bank, a further reduction in bank clearings will occur without any corresponding recession in business activity. In other words, a smaller percentage of the total banking transactions in Canada will be inter-bank transactions, which alone are taken account of in bank clearings.

5 Members Royal Bank Family Get Together

When the staff of the Union Bank of Canada joined the staff of the Royal Bank of Canada for the first time at luncheon in Toronto this week, curiously enough there sat down together at the table for senior officers, men who represented the rounding out of the five elements of the Royal Bank.

There was the "honest-to-goodness" Royal banker, and there were officers who had been absorbed with the taking over of the Traders Bank in 1912; the Quebec Bank in 1917 and the Northern Crown Bank in 1918.

And they all shook hands in welcoming the Union Bank officers.

BRANCH MANAGER FINDS PERSONAL TOUCH EVERYTHING

Know Your Man, is Motto of Jos. Cant, Retiring After 43 Years' Service

"I may have been too cautious, but I don't think so. I have made loans where the security was not there, but I knew the people. That is the secret. If a man is honest and is making headway, then a loan is safe. It is the personal touch again."

In this way Jos. Cant, retiring manager of the Bank of Montreal, Beech and Queen branch, Toronto, sizes up his success as manager of that branch for 14 years. Mr. Cant has made it a point to know his customers and the people of his community. His policy has been to lay himself out to please and oblige his customers so long as he could do so without risk to his bank. He says that these little efforts, while bringing no apparent reward at the time, have always, ultimately redounded. He has been a big factor in community work, and especially in church work, and in this way got to know the people of his district very well.

There are two facts that evidence this. In his 14 years in the district the bank has not been obliged to spend a dollar on legal fees in connection with any loan that he made. Not a dollar was ever lost and when the new manager steps in,—for Mr. Cant is retiring—he will not find a dollar of loans in arrears. The second evidence of this is the fact that a number of substantial business men, operating in the downtown district, do their banking with Mr. Cant. Here again is the personal touch.

Service, perhaps explains Mr. Cant's idea of a bank manager's duty as well as any. There are numerous ways that this can be given. A letter from a district resident, absent in Montreal, expressed appreciation of the banker's efforts to assist his wife to get her passports and funds fixed up for a trip to the Old Country. Another letter from the London, Eng. branch stated that the husband of one of Mr. Cant's customers called upon him and among other things remarked "that you are about the most attentive bank manager he had ever known."

Mr. Cant. got his early banking training in Scotland and came to Canada in 1882 when he was 20 years of age. He spent his time crossing on the boat working out the position of dollars and cents in relation to sterling. He was one of five young men trained together by W. Madden, a Scotch banker of Tweed and all rose to good positions. Mr. Cant first joined the B.N.A. Bank later taken over by the Montreal. His Canadian experience has been in Hamilton, Montreal and Toronto. When he opened the present branch 12 years ago, it was in a butcher shop. Later the present building was erected, being completed just when the war broke out.

C. K. Temple will be the new manager.

Cunarder Franconia, returning from 30,000-mile world cruise, establishes a record for lavish expenditures, passengers' tickets having cost $1,500,000 alone, while more than $500,000 was spent ashore at 40-odd ports where passengers debarked.

Weekly Bank Clearings

(In comparison with the same week last year.)

EASTERN CITIES	May 28, 1924	May 28, 1925
Halifax	$ 2,490,729	$ 2,319,000
St. John	2,046,169	1,945,755
Moncton	738,108	643,501
Quebec	3,943,453	5,276,699
Sherbrooke	620,392	778,326
Montreal	75,469,901	75,540,980
Ottawa	4,415,427	4,146,659
Kingston	557,582	561,630
Peterboro	596,221	634,576
Toronto	77,527,289	72,053,284
Hamilton	4,609,729	3,957,813
Brantford	745,925	837,331
London	2,117,197	2,021,625
Kitchener	788,131	857,068
Windsor	3,321,628	2,689,227
Total, East	$179,996,881	$174,263,474

WESTERN CITIES	May 28, 1924	May 28, 1925
Fort William	$ 660,870	$ 648,611
Winnipeg	45,924,110	35,405,636
Brandon	3,385,818	472,758
Regina	2,576,177	2,679,235
Moose Jaw	809,548	850,858
Prince Albert	252,566	231,135
Lethbridge	367,169	406,141
Calgary	5,309,020	4,438,737
Edmonton	3,471,076	3,638,262
Medicine Hat	236,314	202,410
New Westminster	576,828	495,327
Vancouver	13,259,665	12,502,537
Victoria	640,620	1,613,793
Saskatoon	1,226,512	1,147,790
Total, West	$78,696,293	$64,733,230

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES	May, 1924	May, 1925
Halifax	$ 12,356,763	$ 13,259,888
St. John	11,550,524	10,861,605
Moncton	3,345,771	3,352,604
Sherbrooke	3,760,304	3,482,007
Quebec	23,627,302	24,274,252
Montreal	467,254,000	425,614,140
Ottawa	32,092,908	31,935,046
Toronto	424,138,944	412,838,424
Peterboro	3,496,086	3,515,930
Hamilton	22,543,403	21,154,636
London	12,154,881	10,782,460
Brantford	4,929,305	4,349,924
Kitchener	4,330,532	3,889,262
Windsor	14,330,338	14,614,506
	$1,039,911,061	$983,924,774

WESTERN CITIES	May, 1924	May, 1925
Fort William	$ 4,056,735	$ 4,039,312
Winnipeg	230,328,539	200,692,872
Regina	13,320,140	12,574,440
Moose Jaw	4,319,964	4,283,541
Saskatoon	6,460,906	5,855,188
Prince Albert	1,390,598	1,247,159
Lethbridge	2,275,183	2,085,558
Edmonton	18,152,493	19,547,416
Medicine Hat	1,383,242	1,148,416
Vancouver	66,173,006	65,558,685
Victoria	8,690,598	8,601,860
	$356,551,404	$325,634,447

A GOOD INCREASE IN BANK DEBITS

But the Mergers in the Past Year Upset Comparisons of Bank Clearings

OTTAWA.—The bank debits to individual accounts as reported to the Dominion Bureau of Statistics by the Canadian Bankers' Association, in April, were $2,229,135,033, which represents an increase of 11.2% over March and 9.8% over April, 1924. When adjustment is made for seasonal variation according to experience with bank clearings during the last ten years, the increase over the bank debits of March last would still amount to 5.8%.

The clearings in the 30 clearing house centres of Canada during April were $1,278,773,239, an increase of 7% over March and 1% over the clearings of April, 1924. Bank amalgamations, necessarily restricting inter-bank transactions, have in recent years seriously interfered with the comparability of clearing statistics, there being only 12 chartered banks in April, 1925, as against 15 in April, 1924.

Following are details of bank debits:

Clearing House Centres	April, 1925 $	March, 1925 $
Maritime Provinces—		
Halifax	25,717,196	21,108,505
Moncton	5,761,165	5,331,042
St. John	16,542,894	17,295,466
Total M. P.	48,021,255	43,735,013
Quebec—		
Montreal	645,768,194	513,188,346
Quebec	45,332,108	41,713,503
Sherbrooke	8,397,300	7,981,352
Total Quebec	699,497,602	562,883,201
Ontario—		
Brantford	6,962,647	5,898,047
Chatham	6,346,407	6,967,564
Fort William	6,050,510	5,574,018
Hamilton	42,321,884	41,163,120
Kingston	4,575,261	4,361,844
Kitchener	7,296,475	7,221,708
London	22,703,378	20,009,690
Ottawa	162,361,007	126,508,001
Peterborough	6,733,244	5,591,562
Toronto	591,399,655	557,583,675
Windsor	26,830,128	22,026,529
Total Ontario	884,480,596	802,905,758
Prairie Provinces—		
Brandon	3,965,131	3,303,141
Calgary	38,727,067	44,362,862
Edmonton	31,234,181	26,561,321
Lethbridge	3,505,171	3,732,270
Medicine Hat	3,731,103	4,297,386
Moose Jaw	7,681,953	7,307,975
Prince Albert	1,920,822	1,890,812
Regina	21,483,538	20,132,970
Saskatoon	8,707,033	7,914,731
Winnipeg	327,354,718	335,388,607
Branches of the Weyburn Security Bank	2,509,944	2,134,683
Total Prairie Prov.	450,820,801	457,026,758
British Columbia—		
New Westminster.	4,701,109	4,540,471
Vancouver	120,138,073	113,978,325
Victoria	21,475,597	19,957,587
Total British Col.	146,314,779	138,476,383
Gr. Tot. for Can.	2,229,135,033	2,005,027,113

Stamp Tax Amendments Effective July First

Amendments to the Special War Revenue Act respecting stamp taxes which go into effect July 1st, provide for a definition of a check which will require the issuer of "wheat tickets" or "cream tickets" or other documents issued by a company to a farmer negotiable at a bank, to affix on them a stamp. There will be a minimum stamp tax on foreign bills of $1.00.

Under the amendment a person can transfer an amount to his credit from one branch to another branch of the same bank. Money orders or travellers' checks issued by "banks or any person" will, under the amendments, be subject to stamp tax. Checks not exceeding five dollars will not require the stamp. The amendments become effective July 1, 1925.

Banks Get Little Credit For Public Service, Says Aird

Referring to the public services rendered by the banks, Sir John Aird, president of the Canadian Bankers' Association, in an interview during his recent visit to Western Canada, said:

"The banks are long-suffering institutions and have not received as much credit as they have deserved for the service they have rendered the country, both in times of peace and in war time. For instance, during the war Canada was the only country in the world which did not raise its interest rate. Manufacturers, retailers, farmers—in fact, the entire commercial population—continued to obtain bank credit at the same rate of interest as had previously obtained. There was no signed agreement on the part of the banks that this should be so, but there was a verbal agreement, and it was rigidly carried out. The raising of the vast war loans was done through and by the aid of the banks, for which they received not even enough to pay their actual expenses. In fact, the entire financial arrangements the Dominion made, the war munitions board and all the various other operations, were carried out through the Canadian bankers and generally speaking, without profit to themselves."

Exchange

NEW YORK FUNDS

	High	Low	Last year High	Last year Low
May 28	x1-64	x1-64	1 5-8	1 9-16
May 29	x1-64	x1-32	1 25-32	1 21-32
May 30	x1-32	x1-32	1 13-16	1 3-4
June 1	x1-32	x1-32	1 23-32	1 21-32
June 2	x1-64	x1-32	1 21-32	1 19-32
June 3	—	—	—	—

xDiscount.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
May 28	4.86	5.01½	3.98½
May 29	4.85¾	5.01½	3.98¾
May 30	4.86	5.01	3.99
June 1	4.86	5.00½	3.96
June 2	4.85¾	4.99	4.07¾
June 3	4.85¾	4.95½	4.04¼

CALIFORNIA HAS SET U.S. PACE IN BRANCH BANKING

And the Idea is Spreading Throughout the Whole Country

By EARLE E. CROWE,
Financial Editor, Los Angeles Times.

About 20 years ago some of the progressive bankers in California started something that is still going. They conceived the idea of branches in order to supply a better and more comprehensive service to their customers. Since that time the discussion of the good and the evil in branch banking has taken considerable time in many legislatures and in countless bank directors' meetings but it is still the fashion. How popular the idea is in the United States is disclosed in a recent report by the National Chamber of Commerce.

This survey is based on figures as of June, 1924, compiled by the Federal Reserve Board. It shows that of the 28,468 banks in the United States as of that date, 681 were operating branches. There were more than 6,000 national banks and 108 were in the branch bank business. State banks numbered 20,388 and 573 owned branches.

Later figures, however, illustrate the popularity of the idea in the large cities of the country. New York bankers have seized upon the branch system as a means to keep pace with the city's rapid growth and to satisfy the demand of customers for efficient and convenient banking service. The Guaranty Trust Co., of New York, estimates that the city now has approximately 270 branch offices, or about 20 more than a year ago. National banks have about 60; state banks, 160 and trust companies, 45.

In Detroit and Cleveland, the branches have grown amazingly. Practically all of them are confined to the limits of the cities, and the number in Detroit, for instance, is estimated at a figure considerably above that in Los Angeles.

California Sets Pace

Neverless, Los Angeles and southern California are setting the pace for the remainder of the country. Recent figures show a total for the 10 southern counties of 287 branches. Of this number, 185 are in the city limits of Los Angeles.

In the state as a whole, approximately 415 branches are operated. The Bank of Italy leads with 97, according to the last report, and the

(Continued on page 39)

Instalment Selling is Sweeping Across Canada

IN NEARLY every line of business, merchandise is now being sold on credit. Stores everywhere that have always stuck to cash on delivery as their policy are selling on partial payments. Instalment selling is the order of the day.

To handle the immense amount of "paper" created finance corporations have sprung up. Millions of dollars of collections are being made yearly by these scientifically organized discount companies.

No business man — be he manufacturer, wholesaler or retailer — can afford to overlook this movement, to scoff at its import. He either must go in for instalment selling or adjust his business to meet the competition of instalment selling.

The Financial Post is making a thorough, scientific analysis of instalment selling in Canada; how it is being done, how much is involved, what it costs and the FUTURE.

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The ten articles will show what is now being sold on partial payments; how retailers and manufacturers "carry" the paper; how much it costs the dealer and public; how finance corporations operate; how the system has developed in the United States; will discuss the pros and cons of the credit system as opposed to cash.

It will be good business to read every one of these articles. They are being prepared by Harold M. Cameron, statistical editor of The Financial Post, one of the best business analysts in Canada, who will have at his disposal the entire business gathering facilities of the MacLean Publishing Company, the largest business paper publishing house in the British Empire.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

TORONTO, JUNE 5, 1925

MUST LOWER COSTS

CANADA must lower production costs to become an important exporting country. Manufactured goods from England and the United States are underbidding Canadian producers in the European markets. European manufacturers are taking Canadian raw materials, with which we are so bountifully supplied, and producing from them, with the benefit of the low wages paid on the continent, goods to undersell Canadian manufacture of the same line. In agricultural products, we are also suffering from the handicap of high prices and Australia and New Zealand are laying down butter on the English and French markets at levels that make competition very keen for Canadian producers.

The cost of living is higher in Canada than on the continent, and the wages paid are also much higher. This seems to be preventing Canada from taking full advantage of her great resources in raw materials.

ONTARIO'S SOUND COURSE

IN THE calling in of experts to cooperate with him in the working out of the details of the new sinking-fund plan in connection with Ontario's finances, the provincial treasurer, Col. Price, has taken a course on behalf of the government which will have the commendation not only of the business and financial community but of the public generally. There is a growing appreciation, with the increase in taxation and the costs of government and with the heavy liability undertaken in regard to hydro projects, that it is highly advisable that the finances of the province should be brought to a sound basis and administered in accordance with principles which have been proven in the conduct of private business.

The step which has now been taken by Mr. Price is along constructive lines urged by the Canadian Bond Dealers' Association, and he will not only have the co-operation of that body through R. A. Daly, but the co-operation of the Canadian Bankers' Association as well, through J. A. C. Kemp, who has been appointed to represent that body.

For some years the bond dealers in the interests of the investing public and with the object of improving the credit standing of the various provinces have, through their association, been calling attention to the discrepancies in sinking funds. In some of the provinces steps have been already taken to improve the situation, but it has remained for Ontario, with the most difficult problem of all the provinces in this connection, to not only adopt a definite plan to take care of the debt over a period of forty years, but to call in experts, representing important business elements, to work out the details and put the plan into operation.

Such a course as is now being taken by Mr. Price and the Ontario government will not only win the confidence of investors and thereby insure that funds will be secured at a favorable rate, but will reassure taxpayers that revenues raised to take care of capital debt are being applied on a sound financial basis.

TOO MUCH INSPECTION

MANUFACTURERS in Toronto are visited by health inspectors from the City Hall, by factory inspectors from the Ontario Department of Labor and by inspectors from the Accident and Prevention Association, working in conjunction with the Compensation Board. Is this triplication of inspection, with its multiplied costs and its recurrent interferences with factory routine necessary? A manufacturer who has been giving some thought to the matter has come to the conclusion that one man could do the work now being done by three: health and safety are closely allied and one man could report to the three bodies—if three bodies are actually necessary.

This is just one example of why taxes are high for the carrying on of municipal and provincial work. The same weakness is found on an even larger scale in the federal government. It was recently brought out at Ottawa, by Mr. Stevens, that traveling expenses in the department of agriculture last year amounted to $866,000. This is nearly one-sixth of the expenditures of the department.

The Ottawa Journal believes that one explanation may perhaps be found in the unnecessary duplication of inspectors:

> One explanation, perhaps, may be found in an unnecessary duplication of inspectors. Business men frequently complain that they are bothered by an army of inspectors, some for fruits, others for vegetables, others for eggs, and so on, when, quite obviously, an official capable of inspecting fruit ought to be able to ascertain the conditions of vegetables. The Minister might profitably investigate these complaints. It is precisely such leaks, a few unnecessary thousands here, there, and everywhere, that pile up taxes.

Inspection in the public interest is a good thing. But inspection would not be the first good thing of which there has been too much. As in private business so in public business the cost should be a paramount consideration. And not only would the consolidation of inspections result in a material saving in salaries, travelling expenses and other costs but there would be considerable relief from the interferences to which industry and business are being more and more subjected.

Municipal, provincial and federal governments should close their ears to the agitations for inspection and more inspection which are kept alive by various organizations with fads or individuals who are looking for easy jobs for themselves.

GETTING MEN AND MONEY

IN ALL the discussion of Canada's immigration problem and the desirability of inducing more people to come into the country there is a growing realization that the big thing is to so adjust conditions as regards earning power and the cost of living that Canadian citizenship will become more attractive. After all it must be realized that people will migrate for one reason only—to better their conditions.

And what is true regarding immigration of people is equally true with regard to immigration of money. Capital will come to Canada for one reason only, to better itself—to make a fair profit for its owners. This point was effectively made by E. W. Beatty, president of the C.P.R., in addressing the recent convention of the Quebec Division of the C.M.A.

> "But there is another form of immigration which is almost as important to this country, and that is the immigration of capital, particularly of capital from the Mother Country. Canada is too young to deny capital from any source, but Canada must prefer, other things being equal, the investment of British capital here and the British investor, both on patriotic and national grounds, would, under proper conditions, prefer this country to any other portion of the world. There is one danger in the situation and a danger which should be carefully guarded against, and that is that we should not unconsciously or otherwise create the impression that this is not a country in which honest investments are given their proper protection. Many of you gentlemen are more familiar than I am with that peculiar sensitiveness as to credit existing in the money centres of the world. You probably appreciate that the investor in the States or in England has a very accurate knowledge of the success attending enterprises in various countries. Upon that success he gauges the wisdom or otherwise of placing his money in that country and upon the encouragement of those in authority towards the establishment of such enterprises and their attitude towards them thereafter he will rely for his authority. He does not expect unjustifiable rewards. He desires permanency and security and he insists that the commodity known as money should be permitted to work for him, and that his prospects for success should not be interfered with by the action or the attitude of those in control of the country's affairs. Whatever he may do to encourage the introduction of capital into Canada we should do, but having done so we should see that it is entitled to such measure of just protection as will place the burden for failure, if failure ensues, on its own administration and not upon the country's fiscal or political policies.
>
> "If I were to speak to you at length on private enterprise, you would naturally assume that I was a prejudiced observer, and in that you would be right, but I have the rofound conviction that the spirit and the courage, the initiative and the effort which is fundamental to enterprise and private undertakings are what has made this country progress this far and are what will contribute more than any other factor to its future success."

When Canada can offer a better living to immigrants and equal security and just as attractive returns on investments as compared with other countries, then will the problem of getting both men and money be effectively answered.

EDITORIAL NOTES

WITH the strength of beer increased from 2 per cent. to 4.4 per cent. and the rate on provincial farm credits reduced from 6 per cent. to 5½ per cent., it begins to look like government by per cent. in Ontario.

* * *

DISCUSSING the Canadian stamp tax law during the recent amendments in the House of Commons, Sir Henry Drayton criticised the whole measure as being "nasty, aggravating and troublesome." There was a pyramiding of taxation and the tendency was to drive business from Canada, he declared.

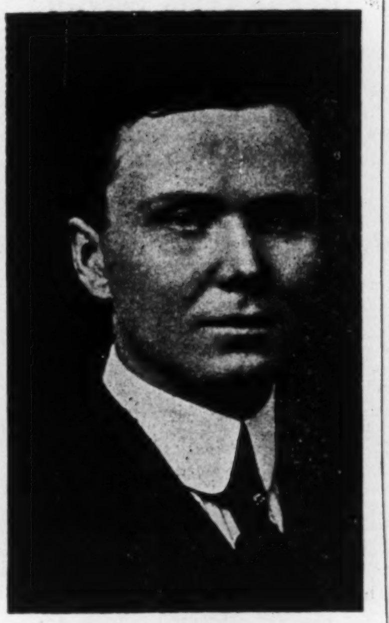
T. A. Russell Was Secretary C.M.A. Twenty-five Years Ago

A Youthful Veteran of Industry Whose Field of Activities is Wide—He Recalls for Hamilton Convention the Days When the C.M.A. Income Was $1,320 a Year And His Salary $720.

WOULD KEEP COLLEGE GRADUATES AT HOME

By J. W. TYSON.

Had a stranger sitting at the opening luncheon of the annual meeting of the Canadian Manufacturers' Association at Hamilton this week been informed that one of the guests at the long head table would rise and tell of the early days of the association when it was reorganized twenty-five years ago, it is an even bet that the last man he would have picked out as the veteran would have been T. A. Russell. He does not look the part. And yet it was Tom Russell who a quarter century ago, a graduate from the University of Toronto, became the youthful secretary of the reformed body and who successfully managed its affairs through two strenuous years that followed. Of course, he is a veteran in years of service only. He is a young man still in years. But even then he does not by any means look his forty-eight summers. One of those "deceiving blondes," he has not even allowed the worries of big-scale manufacturing in Canada to mar his boyish smile or sap the energy which has enabled him to participate in a big range of activities of a business and public character.



T. A. RUSSELL

Then and Now

Mr. Russell told reminiscently of the early days of the association when the total receipts from the membership were $1,320 on the basis of a $10 fee—and hard to collect—and when the secretary's salary of $720 a year looked much larger to the directors than it did to himself. To compare with this situation of a quarter century ago the members had in their hands the financial statement of the association for the past year, showing membership fees earned of $206,000 and operating expenses of $203,000. In addition Industrial Canada had receipts of over $56,000 of which $2,700 was the year's profit, and the Trade Index and other items brought in other thousands. The balance sheet shows a surplus of $14,000 for the year and the association has investments of about $100,000. The membership is now 4,125. The staff has grown from a secretary and stenographer to an organization of about 70 members. The growth of Canada in a manufacturing way is reflected in these figures.

The names of the directors of the first board with whom Mr. Russell was associated and of the officials before and since who have carried on the company's affairs were heard with interest by the new members of the association, while for those who were on the original membership roll of twenty-five years ago they provided a link with the early days of Canada's industrial development which no doubt brought up many memories of men and events that are milestones in the country's manufacturing history.

In 1900 J. F. Ellis was president of the C. M. A., and P. W. Ellis vice-president; provincial vice-presidents were: Ontario, R. E. Menzie; Quebec, Hugh Watson; Nova Scotia, D. W. Robb; New Brunswick, C. J. Osman; Manitoba, F. W. Thompson; George Booth, treasurer.

The first secretary of the association was John MacLean, father of W. F. MacLean, M. P. He was followed by Frederick Nicholls and J. J. Cassidy prior to the reorganization in 1900. Then, following Mr. Russell, were R. J. Younge and G. M. Murray as secretaries before the present arrangement of administration by a general manager.

His One Volunteer

Referring to the efforts to increase the membership, Mr. Russell told of one experience,—the only one he had—with a volunteer. One day a young man walked into his office and said that he wanted to join. That young man was Lloyd Harris and the audience was given to understand that such was the impression made by this incident that it led later to a business association between the two which continues to-day.

How the late Colonel Frederick Nicholls had saved Industrial Canada when that publication as a four-page sheet was struggling to maintain a precarious existence was another of the little historical sidelights supplied by the speaker. He told how the Colonel had called him up and asked for the health of the publication. The report was far from satisfactory. "Come over and let's hold a consultation," said the Colonel and the result was that he contracted for a page advertisment to appear regularly and this gave the publication the life blood it needed to survive.

Losing University Products

As a governor of the University of Toronto as well as a leading manufacturer, Mr. Russell is in a position to speak with authority as to the relations of education and industrial development and when he spoke on this topic to the manufacturers it was evident that he had a subject in which he takes a very keen interest. Undoubtedly, as a manufacturer he appreciates the cost of production of the financial university graduate to the country and the economic loss when that product is exported to another country without any return in selling price or even through an export duty. When there is so much discussion of embargoes against the exportation of our natural products one might easily imagine Mr. Russell starting an agitation to prevent the exportation of our university products. On the point of making use of our college graduates, educated at the expense of the people at home, he urged that industrial research work be undertaken in a constructive, practical way so the Canadian brains may be used in the development of Canadian resources. He said:

> "It costs the state $125 to educate an arts student (not including amount paid by scholar), a larger amount for a medical student, and still more for a student of applied science. When the course is completed each graduate represents a state investment of from $500 to $1,000. It is a tragedy that so many of these young people are lost. There are not openings in this country for them. A thought I have had in this connection is that further research work be undertaken. We have seen what has been done in this connection in medicine at the University of Toronto. With so much in raw materials and natural resources in this way we can probably do a great deal to assist in development of the Dominion. In this way we can provide the openings which are required and we will have the opportunity to retain our own men and our advantage and not at their disadvantage. I believe that there never was a time in the history of Canada when it was realized as much that some measure of protection is absolutely necessary."

Varied Field of Activity

You will hear it said that when someone is wanted to preside at this or that meeting that T. A. Russell is a good prospect. One reason is that he is just the man for the job and another is that he is just so willing to try and be useful and oblige that he doesn't like to refuse. The result has been that he has burned a lot of midnight oil attending to his own various interests in order to give other time to doing things which would help others or better the community. And so while Mr. Russell is president of Willys-Overland, Ltd., vice-president and general manager Russell Motor Car Co., president Canada Cycle and Motor Co., president Russell Gear and Machine Co., and a director of the Canadian Bank of Commerce and the Monarch Knitting Co., he also finds time for service on a number of public bodies. He is honorary president Canadian National Exhibition, a governor of the University of Toronto and a trustee of the Toronto General Hospital. He was president of the Ontario Motor League in 1908, president of the C. N. Exhibition 1918-19; in war service he headed the purchasing department for Motor Transport and served in an advisory capacity on fuses to the Imperial Munitions Board. Nor should a list of Mr. Russell's activities be completed without the very important addition of the fact that he is a farmer—and there are seasons when this fact seems more important than all the others combined. As with some other business men who have gone into farming, however, there is no reference to the fact in Who's Who and his experiences are not available for publication from himself and are but vaguely known to others.

Manufacturers' New Leader is Man of Broad Views

A self-made business man of very broad views will lead the Canadian Manufacturers' Association during the next year. J. H. Fortier, who was this week chosen as president of the C. M. A., came from a Quebec farm and by his own ability became the executive head of P. T. Legare Ltee., a great distributing organization blanketing Quebec province. He started with the firm as a bookkeeper, became a partner and is now its vice-president and general manager.

Mr. Fortier runs two newspapers and has also been an active banking director, having been one of the group of Quebec business men who staved off disaster for La Banque Nationale.

Mr. Fortier believes in fair-dealing and in his direction of the affairs of the manufacturers aims to build for better public appreciation of their problems and for coast-to-coast cooperation.

Incidentallly he has no politics and his newspapers are independent.

J. H. FORTIER

Young Men in Finance

Donald I. McLeod, an Impatient Newspaperman, Who Became One of the Leaders of the Bond Business in Canada

SKY-SCRAPERS, groceterias, steamship lines and paper mills are all one to Donald I. McLeod and this young captain of finance has helped to raise money for all of them. In fact, the name of McLeod, Young, Weir & Co., appears so often on big prospectuses these days and usually as the first name, that it becomes a matter of mystery how "Don" McLeod finds time to work out all the big propositions he plans and develops. His firm is only five years old; here are some of the companies it has financed or helped to finance: the Metropolitan Building; Alexandra Apartments; Great Lakes Transportation Co.; Lower St. Lawrence Power Co.; Matapaedia Valley Light and Power Co.; Gartshore, Thompson Pipe and Foundry Co.; Loblaw Groceteria; Minnesota and Ontario Paper Co.; St. John Dry Dock and Shipbuilding Co., not to mention a host of towns and cities and provinces.

An Impatient Young Man

The secret of this sum of accomplishment lies in McLeod's nervous energy, that demands movement, progress, fulfilment every minute. He is one of the most impatient of men; impatient with that kind of dissatisfaction with the prevailing situation that is the urge of all progress. It is akin to the quality of eager, hunting enthusiasm that makes successful newspapermen; it made Donald McLeod a rattling good reporter before he became a bond salesman on a big scale.

DONALD I. McLEOD

There are numerous newspapers that have printed reams of McLeod's copy. He worked on his home town paper in Owen Sound as a youngster and it was the money he earned there that put him through Queen's. Weekly newspapers didn't pay big salaries and McLeod had to spend one year out of school to earn enough to finish his course. After Queen's he went to London and got a job on the London Free Press. We have testimony that he was a good reporter and also that he was a well paid reporter for he drew $12 a week. The news that McLeod was getting $12 a week spread around the office and one of the other reporters, who is now something of a success himself in the field of business in Toronto, went to the city editor about it, demanding that his own weekly wage of $10 be lifted to the level of Croesus McLeod.

"But good heavens, man," protested the editor. "You live at home. McLeod has to pay his board."

Which argument, being unanswerable, put the quietus on demands for more salary.

A Free-Lance Writer

Free lancing, with headquarters in Ottawa, provided McLeod with more scope and he dashed off reams of copy on every conceivable subject for papers all over the country. One of his jobs was to prepare a weekly summary of Canadian financial events for a New York paper and a London paper and it was his introduction to finance.

Also he wrote a series of sketches of the millionaires of Ottawa for a Toronto paper, his second adventure on the fringe of finance. One of the sketches was about a well known Ottawa business man who started out in life as a humble traveling salesman and finished, as well, not to be too specific, high up in business. All was set forth in McLeod's screed. The morning the story appeared, the newsstands of Ottawa were cleaned out of the paper. Inquiry revealed that the business leader had bought every copy. The newsstands wired for more copies. They came and were snapped up as quickly by the business man, who evidently had his agents watching every stand for copies to buy. Then it was that an enterprising news stand proprietor came to McLeod and told him what was happening.

"He must be proud of that story to send thousands of copies to his friends," remarked McLeod.

"Proud," exclaimed the newsstand keeper. "He's burning the papers. He does't want everyone in Ottawa to know that he started as a traveling salesman."

McLeod was a bit tickled. He saw some humor in the situation. He became guilty of a grave conspiracy. He wired to the editor of the newspaper to send every copy of the paper there was available to his newsstand friend. Hundreds of copies came by express. All were eagerly snapped up—at excellent profit to the newsstand McLeod sat back and laughed at the man who didn't want the world to know he had ever been a traveling salesman.

Goes Into Finance

Even newspaper work did not seem to offer everything that McLeod wanted in a career especially as some of his papers went broke and couldn't pay his bills. With his brother, he went to Dr. Adam Shortt for advice. "Go into industry or bonds. Both are going to have a big future," was the good doctor's tip. "Don" McLeod chose bonds. His brother chose industry, and in that way they backed both horses. The brother, by the way, is also making good. He's one of S. J. Moore's capable co-workers.

Getting into the bond business was not so easy. McLeod came to Toronto, finally landing a place with Brent, Noxon & Co., becoming shortly a junior partner. That was just before the war. When the war came it threw the bond market into confusion and McLeod was soon back where he started from—in a newspaper office. He was financial editor of the struggling Toronto News at $20 per week. That was, however, a stop-gap; as soon as possible he got back into the bond business and for a number of years was a hard worker for A. E. Ames & Co., opening offices in New york and Montreal for them. He left that firm in 1921, with three of his associates, and formed his present firm.

Now he is 38. Let's not make any prophecies, but wait and see where he is at 48.

Even the Chinese

Some time ago there was admitted to probate in San Francisco, the following will in Chinese, made by Chee Chong Wong:

"I, Chee Chong Wong, also known as Gee Fook Sing, know myself sick in bed, whether or not will be recovered, nor do I know that I will live from morning to night.

"This is my will if anything happens:

"I give to my wife, Gee Wong Shea, the whole of my property, which is as follows: Money with Bank of Italy; money with Canton Bank; also Quong Sing Lee laundry, all of San Francisco."

Why I Made a Will

Because:

Only by making a will can I discharge my duty to provide for the future of my wife and family, and of those depending upon me.

A will provides maximum control of my estate when I pass away.

If I had failed to make a will, my estate would be divided according to law, not in the way I wish, and hardship might very probably result for my dependents.

The only safe way was to make my will at once. Something may happen to me at any time; and I can always change my will.

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Steady demand
Low record of vacancies

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Diversification of Investments

Diversification is one of the fundamental principles of sound investment, whether confined to one type of security such as government bonds, or whether the list includes representatives of several different groups.

The June List just issued gives a well worked out and interesting example of diversification. It also contains investment offerings including securities of the Dominion of Canada, the Provinces, Cities and other muncipalities, together with a selected list of Corporation Securities and External Foreign Loans suitable to the needs of all classes of investors.

The present yields vary from 4.25% to 8%

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Investment Securities

Current Opinion

THE MISCHIEF MAKERS

Regina Leader: When Old Country periodicals of the calibre of the Spectator publish articles which represent the prairie provinces as ready to secede from Confederation, it is time that men in Canada, who talk so glibly of secession, were made to realize the mischief they are causing. We know in this country just how much faith to place in their opinions; but people three thousand miles away, who are not familiar with the situation here, are likely to estimate them at far above their actual value. There are people in the prairie provinces, as there are in the maritime provinces, who advocate the breaking up of Canada; but they are impotent to implement their folly.

EXPORTATION AND EMIGRATION

Montreal La Presse: It is admitted to-day—and proved by experience—that the development of 100,000 horsepower of motive force will give work to 5,000 men. Every time that we export that amount of electric energy, therefore, we contribute to assure work for 5,000 workmen of the United States, and by the same token deprive our province of potential labor for 5,000 of our own people. In other words, to export our power inevitably means to export at the same time work which could and ought to benefit Canadians. Consequently, such exportation would favor the emigration of workmen from this province. By what right could we then try to persuade our people against crossing the border to find work, when, by the exportation of force developed from our water powers, we contribute to the refusal of means for profitable employment in their own province?

THIS SHOULD SHAME WHINERS

Canadian Finance! Handicapped by the loss of one leg, amputated a year prior, a six-year-old lad, only one year out from Riga, started selling newspapers on the streets of Calgary. He was known as "Little Dave" Pasternack. That was a few years ago, about 1910. Only a few days ago, the Calgary Herald, for which he had sold papers, announced with a pardonable pride— "D. S. Pasternack, of Calgary, has won the scholarship in chemistry at Queens." This was the same crippled newsboy, and further announcement was made that he was to leave Queens soon after graduation to take over research work for the Dominion Government. At 21 he has won his scholarship and his robes as a Bachelor of Science."

How good it would be if every man who has uttered or written libels concerning the possibilities in Canada could only have this outstanding example brought home to him and to shame him.

WASTEFUL RAILWAY CONSTRUCTION

Ottawa Journal: The case of the St. John and Quebec Railway came up in parliament recently and afforded a striking illustration of imprudent and wasteful railway building. This road was sponsored by the government of New Brunswick and, like so many other lines which were constructed during a spasm of optimism, has not fulfilled expectations. It is to-day costing the province $250,000 per annum on account of unearned interest on the $7,000,000 of guaranteed liability.

But that is not all. This road was conveniently loaded on the Intercolonial, and Government is losing $250,000 a year in operating it. Thus we have an annual loss of $500,000, half of which falls on New Brunswick and half on the Dominion. Since the province is without a surplus, it has to borrow the money to carry the obligation and, since the Dominion is in a similar position, it also has to borrow the money. Here is half a million per annum passing into the form of permanent liability.

PRISON MADE GOODS

Hardware and Metal: The suggestion was recently made that binder twine be produced by prison labor and distributed openly in Canada. There would be strong objection to the open competition of merchandise produced in any such way with goods produced by established manufacturers who are employing Canadians at good wages and who are paying their share of taxation for the upkeep of our municipalities and, incidentally, for the upkeep of just such prison institutions as are mentioned.

The merchants of a United States city were recently faced with the same situation, resulting in practically every line of retail trade signing an agreement not to handle, buy or sell, knowingly, goods, wares or merchandise manufactured, produced or made wholly or in part by prison labor. The agreement to eliminate this form of unfair competition was reached after a petition had been circulated among stores and employees of local industries. The agreement stated that those signing thought it unjust and unfair both to labor and taxpayers to encourage the open competition of such goods in the market.

No objection was registered to the state-use system law for prison-made merchandise such as is in force in a number of other sections of that country. No doubt the Canadian trade have much the same idea on the subject as their brother merchants and industrial employees across the border. The competition in the open market of goods produced by free labor would prove very disturbing to established producing and distributing machinery and should not be given any encouragement.

GERMAN MARKS REDEEMED

Minneapolis Journal: Germany will redeem paper marks after June 5 next, paying at the rate of one dollar of our money for marks whose face value will be a trillion American dollars. As a result of this gigantic swindling operation Americans will be mulcted a billion dollars and Europeans fifty billion dollars.

The European losers will, four-fifths of them, be Germans. The American losers will, some of them, be foolish speculators, and more of them—German sympathizers who bought in the mistaken notion that thereby they helped the Fatherland.

The operation has cost Germans, millions of them, their fortunes, their life savings, their old age support, but it has cost others, especially Americans, enough. The operation has amounted for Germany to going through bankruptcy. She emerges free of her internal debt, but she has managed to make outsiders help pay the cost of the process. The business comprises the most gigantic swindle in history, on Germans and others.

THROWING $20,000,000 INTO A SANDBANK.

Nelson News: Parliament at Ottawa has agreed to spend $20,000,000 on Port Nelson, which looks like another disgraceful waste of public funds.

Here is what Captain Bernier, the veteran northern navigator, thinks of Port Nelson:

"In the Hudson bay, as far as my experience goes, there are two ports—Port Nelson, which will never be a port, because the river gives so much sediment, and every spring, when there is a heavy thaw, there is a washout which changes the channel of the previous year. Therefore, a vessel coming in would need to have full knowledge of the present spring before she could enter, and she might be obliged to discharge outside. I consider that Canada is too poor to support a port like Nelson.

Canada is strangled with debt and taxes. Her fixed charges, greater than her total expenditure in pre-war years, and increasing all the time, are retarding vital development. Yet at such a time, when everybody is searching for a way out of our difficulties, parliament calmly contemplates throwing 20 millions at the icebergs in Port Nelson.

IT IS WELL TO RECALL REASONS FOR TAX-FREE BONDS

Nelson News: Mr. Meighen is quite right when he says that there is nothing more futile than the talk about the money that was lost through the issue of tax-free Victory bonds. If this feature had not been attached to them, it would have been necessary to have offered them at lower than par, or to have increased the interest rate, in order to have sold the quantity necessary for the carrying on of the war. The conditions that prevailed at the time should be kept in mind. No chance could be taken; it was absolutely essential that the loans should be a success.

Despite the freedom from taxation which the bonds gave, they could be had at less than par for a long time after the war was over. As recently as four years ago at this date the market price of the 1937 issue was 98.75, while that of the 1933 was 97.65. It was not till a year after the armistice that the government felt safe in altering the system, and offered bonds carrying 5½ per cent. that were liable to taxation. This issue, due in 1934, had on May 7, 1921, fallen to 94.65.

To a large proportion of those who had bought these securities it then looked as if they had made a poor investment.

They are all now selling well above par, but the wisdom of the policy that was followed has to be judged by the situation when it was decided upon, not by that of to-day.

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Premier, Teck-Hughes

D.M., Ontario.—For an advance do you favorably regard Premier and Teck-Hughes as being fair speculations?

Premier and Teck-Hughes stocks are both well regarded. We think the latter has a better chance of advance. It is a non-dividend payer, but has a much greater speculative following.

Bonds For Stocks

H.M., Montreal.—Shall I sell my C.P.R. common which I bought 3 years ago at 143? I feel a little nervous as a result of the talk of amalgamation with the C.N.R. Shall I buy instead B.A. Oil or Canada Cement? I was also thinking of selling my $7,000, 1934 Government bonds and buying these. I paid $96 for the bonds.

We hesitate to advise you to sell your 1934 government bonds to invest the funds in industrial securities.

The British American Oil, though on a very solid basis, has certain speculative features as all oil companies have. Canada Cement looks very good for the future but, of course, it has not the safety of government bonds.

In regard to your twenty-five shares of C. P. R. if you are feeling a little nervous about that stock we think that perhaps you would be advised to sell a part of it. The position of this company was dealt with two weeks ago.

Keeley

J. S., Ontario.—Is Keeley a buy or a sell in view of the recent serious decline in ore reserves?

Those close to Keeley are not worrying over the decline in ore reserves and are continuing to hold their stock. It is clear that the decline is due to the fact that the company gave up most of the past year to new exploration on the western part of the property and not to opening up new ore in the known zone. The new effort has been successful and long before the present reserves are any way exhausted, Keeley will have opened up the Woods vein further and perhaps added virtually a new mine on the west side of the property. This anyway is the hopes of Dr. Bell, managing director, and he seems fairly well on his way to achieve these hopes. Keeley is paying 24 per cent. and to many the stock looks as attractive as the yield.

Investments For a Woman

E. W. H., Ontario.—Do you consider City Service a good investment for a woman? Also Maple Leaf, Canada Bread, Dominion Canners, Dominion tires and Goodyear Tire, all preferreds, as in a class for a woman?

City Service Company is one of the big utility corporations of the United States and controls Dominion Natural Gas Company of Ontario. On December 31, 1923, the company had 64 gas wells, electric light, heat and power, electric railway and water, 37 oil producing and refining properties, operating in 19 states and in Canada. Two associate companies and subsidiaries report properties as being developed in Mexico. Concessions are also controlled in South America. The preferred stock is considered as ranking high in the public utility class. There are evidently more than one class of preferred, but we note the stock is quoted on the New York curb at 82 for the preferred and 38⅞ for the common stock. The common is regarded as an attractive investment of a more speculative character. On the face of it we would say that neither stocks are very attractive for an investment for a woman, but, of course, we have not a full knowledge of her financial position.

The same remarks would apply to the other stocks. Even milling stocks have speculative features as witness the fact that only a year or so ago Maple Leaf shares had a bad break in the market. Canada Bread has worked into a strong position supplying bread in quite a number of cities and stock is well regarded. If you have been reading The Financial Post of late, you will note that Dominion Canners have come into a great deal of prominence especially in regard to its common stock. This company has worked into a strong position. Dominion Stores is good. It is operating in the chain store business and is constantly expanding and seems to have a good future. Goodyear Tire has done well and has cared for the greater proportion of the arrears on its preferred stock. The fact that arrears have piled up will indicate to you that there is a certain speculative feature about the stock and this we should judge is becoming more so, as the price of rubber has been mounting very steadily of late.

Gold Hill

A.E., Ontario. — Would you be kind enough to inform me of the possibilities in Gold Hill Mining Co.? I own some of this stock bought at 15 cents per share. Also is it well managed?

Gold Hill is a Boston Creek proposition that has considerable merit. It will be a selective mining venture. The shaft is down 300-ft. and drifting on the vein is proceeding. It is reported that in the shaft down to 100-ft., three cars of ore were taken out that gave a return of $70 to the ton. The vein is reported as having widened from 100-ft. level to the 300-ft. level, with values continuing high and consistent. The operation is in good hands.

Ignore the Market

R. W. T., Ontario.—Acting on information I was able to gather and confirmed by your opinion last March I bought some McIntyre and 2,000 shares Vipond, the Vipond costing me $1.20. What I cannot understand is why so much apparent attention is paid to the daily quotations. To me it would look as if it were a matter of whether the gold was there or not which should concern the speculative investor. If it is not there in sufficient quantity to reimburse him in interest and a return of his principal he loses. If it is there in that quantity he comes out even, and every dollar above interest and amortization is speculative profit. Am I right in this or should a man sell when a profit offers? Regarding Vipond, after carefully reading the recent report of Mr. Burrows, I came to the conclusion that the chances of the mine being a big payer depended on results when the porphyry intrusion at Porcupine Crown, etc., passing to Vipond mine at depth (pg. 32) is explored. Am I right, is this the key to the speculative possibility in this mine?

Also can you tell me why the profits of this issue are only reported as running $1,000 per month out of a production of close to $50,000 per month?

I have another $2,000 at present to stick into something. Do you consider I have enough Vipond for a country doctor and that McIntyre looks to be safe and sure, and therefore preferable?

The writer of the above letter seems to have hit it on the head when he raises the question as to why so much attention is paid to the daily mining stock quotations. These do not and have not for some considerable time, reflect in any way, the true position of the mining industry in Northern Ontario. The industry is decidedly prosperous and is forging ahead. The market as represented by the daily quotations is in the dumps and is likely to remain so for some time. The writer of the above letter has two sound stocks, McIntyre and Vipond. Both look exceedingly well, are in excellent hands and should both return a good profit, if the holder continues to hold the shares and ignore stock market fluctuations. McIntyre is on a 20 per cent. dividend basis, but this is really only a nominal payment. It is earning much more and its reserves would indicate that it will earn a great deal more. It is in a strong position. Vipond just started to produce and will spend considerable out of earnings on a new shaft and mill enlargement before giving consideration to dividends. Its ore reserves are much greater than its issued capital. It is true that there has been talk of Vipond and the porphyry intrusion, but the fact remains that the mine is producing rich ore and as development proceeds, the company continues to open up more ore which perhaps might be taken as an indication, that if the porphyry is absolutely necessary, then it is there somewhere. It would be nice to find it, but much nicer to find an additional tonnage of rich ore which the company is mining. Vipond's statement should soon be out and this should set at rest the report that the company's profits are running at $1,000 monthly. The last Vipond statement for eight months showed operating profit of $100,515 while other costs, taxes, reserves took $58,089 leaving a net for 8 months of $51,516 or better than $6,000 a month. At the same time they were carrying on and still are, an extensive development program.

The best opinion is that you would be safe in buying more of either of these, but of course, there are speculative features to the Vipond and it is not paying a dividend and may not for a couple of years. Wright Hargreaves is well regarded among the producers as having a long life ahead and which must soon increase its dividend. Lake Shore will pay perhaps 40 per cent. this year and then likely go on a 50 per cent. basis. A little more speculative is Castle, a silver proposition controlled by the same people as control McIntyre. It recently paid off its $200,000 preferred, clearing the way for dividends on the common. The company is earning fully 20 per cent. on the $2,000,000 outstanding. The stock at 77 is conservatively regarded as being a promising purchase.

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New Type of Utility for Heat Supply Progresses

In Many Places, Both Here and Abroad, the Central Heating Plant is Rapidly Coming Into Prominence — Two Cities in West Have Installations and Success Has Attended the Effort

A NEW form of public utility has sprung up recently with rapidity. It is the business of supplying heat from central stations. As yet but little has been heard of these enterprises, but for the future, it would seem that development along this line will be more than rapid.

In this country central heating is in its infancy and only two public heating utilities are in operation, one in Brandon, Manitoba, and the other in North Battleford, Saskatchewan. There are, however, many private concerns which supply all their buildings with heat from one central station; of these, the University of Toronto, comprising an aggregate of 27 buildings, is the largest.

There are several community central heating stations in this country chiefly situated in Montreal and Toronto, but the western provinces have given the lead to the east in the matter of operating proper public utilities for the sale and distribution of steam heat.

One Installation

The installation at North Battleford is of interest. The town has a population of some 4,000 and is situated in the northerly portion of the province. The steam used is entirely from the exhaust of the municipally owned electric generating plant. Besides the saving through the use of this exhaust steam, it is to be noted that the electric plant operates on the lower grades of Alberta coal, which may be laid down at only $3.55 per ton, so that savings are made two ways; by the use of cheaper coal, and the use of steam which would otherwise be permitted to escape.

This particular undertaking was financed in an interesting manner. Prospective customers advanced money on the basis of the amount of radiation installed in their buildings the town paying interest on these funds until the service was connected, when payment was made in the steam supplied to the consumer. In this fashion the distributing system costing to date about $37,000, has been installed, with small expense to the town.

In all, 50 buildings are heated by the exhaust from the electric station and the service has proved popular, for, in many instances, an actual saving, under the rates at present in force, is shown over the cost of individual furnace heating. Not only has the consumer benefited, but a substantial revenue has been obtained by the town.

The plant at Brandon, Manitoba, has given good results as well, for in the 23 years in which heat has been distributed in the city, it is claimed that there has never been a shut down, nor has any consumer disconnected his line.

Future Possibilities

In a report to the Dominion Fuel Board dealing with the possibilities of the application of central and district heating in Canada, F. A. Combe says: "Central or district heating can in many cases be advantageously combined with the generation of electricity from steam stations, the steam being supplied for heating after it has passed through the engines or turbines driving the electric generators. In addition to actual heating service, steam can also be supplied............for miscellaneous industrial purposes....... as a rule at a lower cost than steam generated by small independent boilers."

Judging from the report, it would seem that the time is not far distant when heat companies will be springing up all over Canada.

In the United States about 300 systems are in operation; these vary from the small private station to public utility companies supplying heat and steam in large cities having outputs of 1,000,000 pounds of steam per hour or equivalent, to over 30,000 boiler horsepower.

An example of what may be accomplished by the privately owned undertakings is the Toronto Housing Company, who supply heat from a central plant for 252 small, self-contained cottages and cottage flats located in the northern portion of that city. These dwellings and apartments are rented by the company with heat, janitor service, and hot water included, and have proved very successful and economical.

In Montreal several centrally heated groups of residences have been built recently in which houses are independently owned, heating and janitor service being supplied by the operating companies.

Yields Dividends

As material savings have been effected by these methods there would appear to be little reason for some of the larger public utility companies embarking on this business—more especially as it has proven to be a paying proposition. Of course there have been failures on the part of those who have embarked upon this business in the past, but this can be said of any other profitable business, and more especially of a utility which is really only in its infancy. But all in all, most of the failures in the past are traceable to factors such as unsuitability of territory served, poor installations or inefficient operation.

For Canadians, and especially those situated in the acute coal area lying between Montreal and Winnipeg, the future of central heating will be one of intimate concern to them, not only through the possible embargo of American anthracite, but also because of the high cost of hauling coals from our own deposits, which while large enough to supply coal for an indefinite number of years, yet are situated so far away as to make their economic use impossible—at least this is the result arrived at, after careful study by the Dominion Fuel Board.

The advent of more central heating plants will make possible the use of extremely low grade coals which will, of course, in itself prove a saving.

In this country the importance of this subject is apt to be underestimated until it is remembered that nearly 40 per cent. of the coal consumed here is used for heating and over 60 per cent. of the total consumed is imported, despite the fact that we possess inexhaustible resources of coal within our own borders.

As well as the possibility of obtaining heat from steam electric plants, heat might be obtained, too from civic incinerators—or perhaps from a combination of all three. One city, Westmount, already utilizes its refuse to generate electricity. There is the possibility that heat distribution might develop along this line.

Taken from all angles, results from central heating plants, both small and large, in this country and in the United States, indicate that this business of heat selling will loom much larger in the next ten years than it has done in the last ten.

The capital employed in the gas industry has shown a marked increase annually. It is one of the industries which did not show any reaction after 1920, and the amount invested increased from 35 million dollars in that year to over 45 million dollars in 1923.

Carruthers Estate Includes List of Worthless Securities

It is generally stated that an examination of the estate of practically every well-to-do man, reveals a certain proportion of worthless securities. In other words, even astute business men make errors in judgment in investments. An example of this kind is the estate of the late James Carruthers, Montreal grain merchant, who died last September leaving an estate of $3,579,542. In the list of holdings are to be found the following:

Bonds of companies no longer in existence, $185,900 par value. 16,196 shares of no listed value.

Here is a case where one of the keenest traders in the grain business had evidently speculated away, what to many would be a small fortune on securities that proved worthless.

For the purpose of probate, Mr. Carruthers' estate is divided up into provinces as follows: Quebec, $2,991,172; Ontario, $367,109; B.C., $5,351; Manitoba, $105,160; Alberta, $49,338; Nova Scotia, $8,250; U.S., $53,626 and Great Britain, $1,784. The principal holdings:

In Quebec—	
100 Montreal L. H. & P.	$17,300
200 Nat. Breweries	10,600
100 Fed. Paper Co.	11,650
100 Fed. Paper Co.	8,500
50 Can. Arena	5,000
15 Mt. Bruno Golf	1,500
70 Mont. Welland L.	1,500
Dominion Bonds	1,803,001
Quebec Bonds	613,501
Bonds (no value)	185,900
In Ontario—	
111 Maple Leaf Milling	9,084
700 Canada Bread	64,475
700 Can. Locomotive	46,200
600 Dom. Bank	110,400
666 Dome Mines	10,389
— City Dairy	12,665
6 Ont. Jockey Club	9,000
1000 Crown Reserve	430
1000 McIntyre Mines	16,640
65 Gurney Foundry	6,500
558 Ft. Wm. Elevator	61,380
500 Western Assurance	3,500
441 Dom. Canners	15,435
16,196 Miscellaneous—No value.	

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For June Investment

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FINANCIAL STATEMENT

The Canadian Converters' Company, Limited

For the year ending 30th April, 1925

BOARD OF DIRECTORS:
JAMES N. LAING, President
J. HARVEY ROY, Vice-President
THOS. J. RODGER T. H. RENNIS
J. M. MACKIE D. PATTERSON
R. C. McMICHAEL, K. C.

General Manager:
J. HARVEY ROY

Secretary-Treasurer:
THOMAS M. BARRINGTON

COMBINED PROFIT AND LOSS ACCOUNT OF

The Canadian Converters' Co., Limited

and its Subsidiary Companies

1925:		
April 30th	To allocation for expenses incidental to moving "Black" Plant	$ 8,000.00
	To Balance forward	651,308.78
		659,308.78
April 30th	To interest on Bonds	18,940.00
	"Reserve for Depreciation and Income Tax	10,000.00
	"Dividends paid	91,008.75
	" " Payable May 15th, 1925	30,336.25
	"Balance at credit	655,495.58
		$805,780.58
1924:		
May 1st	By Balance	$659,308.78
		659,308.78
April 30th	By Balance carried down	651,308.78
	Profits of Subsidiary Companies for year to date	129,808.00
	Interest and Profit on Investments realized	24,663.80
		$805,780.58

JAMES N. LAING,
J. HARVEY ROY } Directors.

COMBINED BALANCE SHEET OF

The Canadian Converters' Co., Limited

and its Subsidiary Companies.

As at 30th April, 1925

ASSETS

Property Account			
Real Estate, Plant, Machinery, Goodwill, etc.			$1,958,633.81
Investment			
Victory Bonds, etc., with accrued interest to date			195,723.01
Current Assets			
Stock of Merchandise, Stores, etc.		507,228.35	
Accounts Receivable, less Reserve for Bad and Doubtful Debts		242,509.71	
Cash on Hand, and in Bank		43,749.24	
Bills Receivable		7,007.25	
			800,494.55
Suspended Assets			
Insurance Prepaid			12,809.31
			$2,967,660.68

LIABILITIES

Capital Stock			
Authorized 30,000 Shares of $100 each		3,000,000.00	
Subscribed and Issued, 17,335 shares $100 each, fully paid up			1,733,500.00
Mortgage Bonds			
Authorized and Issued		750,000.00	
Less—			
Held by the Company	$491,000.00		
Cancelled	60,000.00	551,000.00	199,000.00
Current Liabilities			
Accounts payable, including Income Tax for 1925		47,849.99	
Accrued interest on Bonds		4,975.00	
Dividend Payable May 15th, 1925		30,336.25	
Wages accrued		12,033.12	
			95,194.36
Reserve for Depreciation			284,470.74
Profit and Loss Account—Balance at Credit			655,495.58
			$2,967,660.68

Contingent Liability, $29,222.00.
Bills Receivable under Discount.

JAMES N. LAING,
J. HARVEY ROY, } Directors.

Montreal, May 27th, 1925.
Verified as per report of this date.
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

TO GROW OWN RUBBER

AKRON.—Firestone Tire & Rubber Co. may begin growing crude rubber on a large scale, it is indicated by President H. S. Firestone in a statement announcing the second increase in tire prices since May 1. Announcement of definite plans for this project is expected in the near future.

News of the Investment Markets

LARGE VOLUME OF FOREIGN BONDS SOLD IN CANADA

Surplus of Funds and Scarcity of Attractive Issues Seem Responsible

The Canadian investing public are showing a much greater interest in certain of the more substantial foreign bonds, than has formerly been the case. While many of these issues are safe and remunerative investments, and some of them are reasonably sure to appreciate in value, the Canadian public generally are not in a position properly to differentiate between the good and the bad. The experience of the United States in regard to many foreign bonds ought to teach the lesson that there is as much variation between the foreign bonds of different countries as there is between the countries themselves. United States investors have suffered severe loss by dabbling in foreign bonds on the security of which they were not in possession of adequate information. Even many of the investment bankers are lacking in full information on these issues. This week part of a Norwegian loan is being offered in the Canadian market. A considerable volume of Argentine bonds have found their way into Canada. These issues are both highly regarded, but other bonds of somewhat lower rating are constantly being absorbed by the Canadian public.

It is estimated that there is now something in the neighborhood of $200,000,000 of foreign capital invested in Canadian industrial bonds, while the amount invested by Canada herself in these securities is only about $65,000,000 more, or $265,000,000 all told. In other words, Canadian industry is sending abroad annually, interest on about 43 per cent. of her industrial bond holdings, while at the same time a large volume of Canadian capital is being invested in foreign bonds which very often have not a much more attractive yield than many Canadian issues that are available, and sometimes less security.

In the field of government finance, this situation is much more marked. The United States is taking a larger portion of the Canadian municipal, provincial and federal bonds annually, and we are paying large amounts in interest charges on these holdings. It was announced by the federal Minister of Finance, Mr. Robb, this week, that overtures from New York began to pour in, immediately upon the announcement in the House, that Canadian government would be in the market for something like $164,408,000 this fall to refund the national loans falling due this year. Canadian bonds are sought in ever-increasing quantities both by individual investors and large institutions. Then Great Britain will shortly be coming into the market again for Canadian issues, although it is probable that interest rates in Great Britain will remain at high levels for some time as a result of the policy of maintaining sterling on a gold basis.

Due to Abundance of Funds

That Canadian investors are buying foreign bonds while foreign and British investors are showing so much interest in our bonds is said to be due largely to the abundance of investment funds available, and the relative scarcity of Canadian issues. Canadian and American investors are not normally so familiar with the foreign investment field, as for example, is the British investor. British loans abroad started hand-in-hand with the development of trade and industry in these foreign countries, and colonies, and were often the outcome of industrial expansion abroad. In this way bonds from every corner of the globe became well known to the British investor, both private and institutional. But the Canadian investor becomes acquainted with these issues merely as an investment, offering a certain fixed yield, and that he is particularly interested in these issues of late seems to be due to the scarcity of attractive domestic issues of a satisfactory yield. It is only natural that the investment bankers are willing to supply what the customer desires, and some of the houses are naturally catering to this demand.

Unusually few bond offerings are being made in the Canadian markets this week, and trading was further dulled by the mid-week holiday. Such issues as were offered were mainly of small municipal bonds. Two or three relatively large industrial issues are pending, but no official announcement has yet been made with regard to these.

May Bond Sales

Bond sales in May were small compared with the previous months of the present year, the total for the month being $16,929,180. For the first five months of the year the total is $199,567,867. Following is the record for the month and for the five months:

Municipal	$7,544,180
Provincial	3,500,000
Corporation	5,885,000
Total May	$16,929,180
Year to Date	
January	$44,943,771
February	78,182,253
March	19,147,618
April	40,365,045
May	16,929,180
	$199,567,867

BOND DEALERS TO HAVE BUSY 3 DAYS

From Our Own Correspondent.

MONTREAL.—Next week marks the annual convention of the Canadian Bond Dealers' Association which will be held this year in Montreal on June 10 to June 12.

The convention begins with the meeting of the Dominion Executive on the evening of June 10. The following day at 10.30, the general meeting will be held in the Mount Royal Hotel and it is expected that over 150 delegates from all parts of Canada will be present. After the morning session, there is a luncheon which will be followed by the reports of committees. The larger portion of the activities of the association is in connection with municipal finance and the report of the special committee, which is handling this branch of the work, will be awaited with interest.

One other feature will be the various reports on legislation which will principally deal with the Association's efforts in all the provinces to obtain blue sky laws which will work.

The same evening will be held the annual banquet and several interesting speeches are promised. The following day the delegates are to be the guests of the Harbour Commissioners of Montreal, when a tour of the harbour, in the commissioner's yacht, will be made. A golf tournament in the afternoon followed by a smoker in the evening will conclude the convention.

New Real Estate Bonds Will be Offered Soon

From Our Own Correspondent.

MONTREAL. — Financial arrangements have been completed whereby the firm of Ernest Savard, investment bankers of Montreal, will offer $750,000, first mortgage, 5½ per cent., 15 year bonds of the Quebec Apartments. The new company has a further capitalization of 2,500 preferred and 2,500 common shares. These latter will not be offered to the public. The new apartment house in the city of Quebec will be erected on Grand Allee and will contain 88 apartments. The estimated cost is $1,250,000. The new building will be eleven stories high. There is but one other apartment house of any size located in the city.

NORWEGIAN BONDS OFFERED HERE

A portion of the recent issue of $30,000,000 floated by the Norwegian government in the United States is being offered in the Canadian market. The bonds are 5½ per cent. and run for forty years. They are being sold by R. A. Daly and Co. at 96 3/4 which represents a yield of 5.70 per cent. The current quotation of most of the Norwegian bonds being sold in the New York market is substantially in advance of the original offering price.

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	100	100¾
Alabama 6% 1962	93¾	94½
Algoma Steel 5% 1962	32	32½
Belding 5% 1936	85	..
Belgo Can. Paper 6% 1943	100¼	101
Brand-Henderson 6% 1939	90	..
Burns, P. & Co. 6½% 1943	100⅞	102⅝
Can. National Rly. 5% 1954	100⅞	101½
Calgary Brewing 5% 1942	83½	..
Can. Steamship Lines 7% 1942	98¾	99¼
Can. Light & Power 5% 1949	54¾	..
Can. Pacific Rly. 5% 1934	99½	99⅞
Can. Steel Foundries 6% 1936	100	..
Dom. Iron 5% 1939	..	49½
Dom. Power 5% 1932	96⅜	..
Dom. Textile 6% 1949	105	..
East Koot. Power 7% 1942	100¾	101½
Frontenac Brewing 6% 1951	85	..
H. Smith Paper 6% 1934	97	..
Lake Sup. Paper 6% 1941	105	..
Laurentide Power 5% 1946	99¼	101
Laurentian Power 6% 1936	99	..
Maple Leaf Milling 6½% 1943	104	..
Man. Power 7% 1941	102¾	..
Mattagami 7% 1949	30	..
Montreal Steel Works 6% 1940	100	..
Prov. of Ontario 5% 1948	101⅛	102
Nor. Ont. Power 6½% 1931	99¼	100
Ontario Pulp 6% 1931	106	..
Price Bros. 6% 1943	100	101
Quebec Power 6% 1953	101⅜	101¾
Shaw. Cotton 6% 1949	..	77
South Canada Power 6% 1948	103½	..
Spanish River 8% 1941	107¼	107¾
St. Maurice Power 6½% 1953	106½	107⅜
West Koot. Power 6% 1943	102¼	..
West Power 5% 1949	93	..

Stock & Bond Traders
LIMITED.
DIVIDEND NUMBER 3
Notice is hereby given that a dividend of One Dollar ($1.00) per share on the Common Shares of this Company has been declared payable July 1st, 1925, to shareholders of record May 30, 1925.
By order of the Board,
LLOYD JOHNSTON,
Secretary.

Bond Issue Expected for New Skyscraper

Progress is reported in connection with plans for financing the construction of the new 26-story sky-scraper to be called the Canadian National Building, and to be erected at the corner of King and Yonge Streets, Toronto. Developments are held up at the moment pending the passing of orders-in-council providing for the signing of a lease by the federal government for a substantial portion of the space. The Canadian National Railways, according to the arrangement, will also take several floors in which to segregate their Toronto offices.

While no definite announcement can be made until the passing of these orders-in-council, and the final placing of the contract for the financing of the project, it is understood that some $4,000,000 will be required, the bulk of which will be by a first mortgage bond issue, and the balance by a second or general mortgage bond issue.

WHALEN SALE POSTPONED

The sale of the assets of the Whalen Pulp and Paper Company was postponed from May 28 until August, and no definite announcement has yet been made with regard to what the debenture holders may expect. The company is now being operated by a receiver, and is reported to be paying its bond interest charges. There would seem to be good prospects for the company in manufacture and export of newsprint

BOND MOVEMENTS OF THE WEEK

WEEK ENDING JUNE 2

BONDS	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Latest Price Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	5.00	83½	75	100	80¼	97	—	100	95
Canada Bread	6	1941	5.67	102½	99	104	102	—	103	103½	—
Can. Cottons	5	1940	5.65	91	88	93¼	93	93¼	—	93¼	—
Cedar Rapids	5	1953	4.93	99¾	95	101	97	—	101	101	—
Can. Steam. Debs.	5	1943	7.16	80	72	79	77	—	77	78	—
Ogilvie "B"	6	1932	4.95	104½	101½	106½	104	106½	—	106½	—
Do. "C"	6	1932	4.95	103¾	103	106½	104	106½	—	106½	—
Penmans	5	1926	6.42	99⅝	95	98½	98	—	99	98	—
Quebec Rly.	5	1939	5.58	91	80	94¼	89¾	—	94¾	94¼	93
Rio Janeiro	5	1935	6.74	87	84	88¼	82	—	88⅛	87	—
Wayagamack	6	1951	7.08	86	74	87¾	84¾	87	—	87	—
War Loan	5	1925	4.00	100.95	100.15	101.15	100.10	100.50	100.40	100.30	100.10
Do.	5	1931	4.55	102.40	100.60	102.65	101.00	102.55	102.45	102.60	—
Do.	5	1937	4.49	103.85	102.20	104.75	103.80	104.70	104.60	104.75	104.50
Victory Loan	5½	1927	4.30	103.05	102.05	103.15	102.05	102.80	102.70	102.90	102.50
Do.	5½	1933	4.50	106.70	104.30	107.00	105.90	106.85	106.75	106.85	106.60
Do.	5½	1934	4.88	104.70	102.35	104.75	103.20	104.55	104.45	104.65	104.35
Do.	5½	1937	4.47	108.90	106.15	110.00	108.45	109.80	109.70	109.92	109.55
Do. Renewal	5½	1927	4.70	102.70	101.15	102.95	101.50	101.85	101.75	101.85	101.50
Do. "	5½	1932	4.85	103.90	102.10	104.20	103.10	103.90	103.80	104.20	103.60
Do. Refund.	5	1928	4.60	100.85	99.40	101.35	100.45	101.10	101.00	101.25	100.80
Do. "	5	1943	4.75	102.85	99.00	102.75	101.20	102.60	102.50	102.75	102.45
Do. "	4½	1944	4.70	97.15	97.00	97.35	95.10	97.00	97.25	97.25	97.00

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Municipal and Provincial Finance

DRASTIC CUT IN CIVIC SPENDING THROUGHOUT N.S.

Halifax Takes Lead in General Financial House Cleaning

From Our Own Correspondent.

HALIFAX.—During the last session of the Nova Scotia Legislature which just closed, the small towns and municipalities of Nova Scotia were given legislative power to borrow in an aggregate nearly $300,000, and adding to this the larger amounts to be floated by Halifax and Sydney, nearly $400,000 will be sought from various sources for special civic purposes within a short time. This is interesting in view of the fact that nearly all civic expenditure in Nova Scotia is being curtailed, and the economic shears are at work in almost every municipal, town and city council in the province. This amount of money will be spent by the various civic bodies borrowing it for general improvement; some for schools, some for establishment of electric light and power or the enlargement of plants already established; some for street improvement; increased fire protection; extension of water works, and other towns are borrowing for redemption of maturing debentures. There is indication of a very healthful condition of affairs in the civic management of the smaller communities of the province.

Municipal affairs in Nova Scotia are as a rule given very careful attention, despite the memory of what Halifax experienced. Conditions in the capital city however have very considerably improved during the last two years, and the same is true of Sydney. There is a strong union of municipalities in the province which not only meets yearly for a very helpful convention, but keeps in close touch with municipal problems during the year. On more than one occasion Premier Armstrong has given the suggestion that he had in the back of his head the formation of a department of municipalities within the government, in order that all matters of municipal concern in their relationship with the provincial government might be co-related in such a manner as to facilitate civic loans, standardize civic organizations and operations, and altogether invest civic affairs with a better business administration. It would be a centre where information concerning the various municipalities would be obtainable, and would undoubtedly have much to commend it in other ways should it ever be seriously considered.

Much has been done within the last two years to improve the financial standing of Nova Scotia municipalities by improved adjustment and methods of adjustment in relation to sinking funds. A number of municipalities and towns also introduced improved methods of bookkeeping, several of these civic governments having somewhat rude awakenings in the discovery of laxity and dishonesty in officials, before any action was taken.

Halifax Takes Lead

The outstanding instance of improvement is found in the city of Halifax. According to a statement made recently by retiring Mayor Murphy, the position is most encouraging. Two years ago the Haligonians were shocked when the real financial conditions of their city became known, and several million dollars of taxes were outstanding, hundreds of thousands for years. When the year 1924 opened there was $2,200,000 in over-due taxes outstanding. The amount now, in eighteen months had been reduced to $1,700,000, or $550,000 of old overdue taxes was paid in that time, besides $1,300,000 in the current year's taxes, or a total of nearly two million dollars in less than a year and a half. This was considered a very notable achievement for a city recovering, as is Halifax, from a war experience similar to which no other city in Canada suffered. For the first time in years the city's tax collections have come within 70 per cent. of the total, this year they are now actually 75 per cent. of that total.

The net debt of Talifax is $6,750,000 and against that the city has many times the assets. The school accommodation of the city, with a population under sixty thousand, is conservatively valued at $2,500,00. The water works of the city is self sustaining; there are twenty miles of modern paved streets, and there are thirty-eight miles of concrete sidewalks.

No period in the city's history will stand comparison with the last three years in the manner in which capital expenditure has been kept down. In these three years the capital expenditure incurred is only $1,350,000. This is apparently the policy which the city officials intend to follow for some time to come; the policy of maintaining what the city now possesses in modern equipment, and wait until more favorable conditions permit of expansion.

The report of the auditors for Wentworth county shows a deficit for the financial year just closed of about $92,000. Receipts from all sources totalled $1,141,210, while disbursements were $1,233,004. The county's total assets are $1,432,367 and the liabilities, $1,039,436.

Municipal Notes

FREDERICTON'S FINANCES

The tax rate of the city of Fredericton for the current year has been fixed at $2.60 which is an increase of 12 points over the rate for 1924. The total assessment which has been ordered for the year is $276,500 to which is added 9 per cent. for margin, making a total of $301,385. Total assessment valuation of $10,820,135 is an increase of $52,760 over the valuation for the past year. The increase in the tax rate is due largely to a rise in the rate for education from 87.20 to 104.15.

TORONTO HARBOR EXPENDITURE

An expenditure of approximately $7,500,000 in the next five years is called for by the program of the Toronto Harbor Commissioners. At a conference last week of the representatives of the city and the commission, the latter outlined the scheme of work they hoped to carry out. This was referred to the city's officials for a report. The program includes the filling necessitated by the viaduct construction.

WINNIPEG HYDRO EARNINGS

The annual report of the Winnipeg Hydro-electric system for the past year shows gross earnings of $1,863,175 against $1,741,963 for 1923 and $1,659,725 for 1922. The surplus, however, is reduced from $126,834 to $110,084. The balance sheet shows a reserve surplus of $411,028, sinking fund investment of $1,801,849 and a depreciation reserve fund of $2,429,989. Total assets as shown by the balance sheet amount to $19,878,993.

This Week's Bond Sales

CHILLIWACK ISSUE

L. Read & Co., Vancouver, were the successful tenderers for an issue of $20,000, city of Chilliwack, 5½ per cent. local improvement debentures, due 1935, on a bid of 99.87. Following is a list of the bids:

L. Read & Co.	99.87
Pemberton & Son	99.40
A. E. Ames & Co.	99.21
Royal Financial Corp.	98.81
Victor W. Odlum & Co.	98.30
Gillespie, Hart & Todd	98.30

PRINCE RUPERT BONDS

An issue of $114,838, city of Prince Rupert, six per cent. bonds, has been awarded to the Royal Financial Corporation on a bid of 98.33. The bids were:

Royal Financial Corp.	98.33
Ames & Co.	98.28
C. H. Burgess & Co.	98.25
R. P. Clark & Co.	97.11

RIVIERE DU LOUP BONDS

The $170,000, five per cent. bond issue of the town of Riviere du Loup was awarded to Municipal Debenture Corporation. The bids were as follows:

Municipal Debenture Corp.	98.876
L. G. Beaubien & Co.; Hamel, McKay & Fugere	98.67
Provincial Securities	98.55
Credit Anglo Francais	98.41
Bray, Caron & Dube	98.33
Versailles, Vidricaire, Boulais, Ltee.	98.27
Hanson Bros.	97.91
Geoffrion & Co.	95.85

CRYSTAL BEACH ISSUE

MacKay & MacKay were the successful tenderers for the village of Crystal Beach $67,000, 5½ per cent., 30-instalment debentures, guaranteed by the county of Welland, their bid being 105.41. The bids:

MacKay & MacKay	105.41
Housser, Wood & Co.	105.387
Matthews & Co.	105.24
Fry, Mills, Spence & Co.	105.191
Gairdner, Clarke & Co.	105.07
C. H. Burgess & Co.	104.46
W. C. Brent & Co.	104.41
Dyment, Anderson & Co.	104.09
Macneill, Graham & Co.	103.91
Wood, Gundy & Co.	103.80
McLeod, Young, Weir & Co.	103.76

ORILLIA DEBENTURES

An issue of $65,000, town of Orillia, 5½ per cent., 30-instalment debentures, has been awarded to E. B. Thompson, Orillia, on a bid of 105.61. Following is a list of the bids:

E. B. Thompson	105.61
Municipal Bankers Corp.	105.54
Worthington, Savage & Co.	105.46
McCoo, Padmore & Co.	105.34
Cochran, Hay & Co.	105.23
Matthews & Co.	105.19
MacLaren, Fletcher & Co.	105.11
Dyment, Anderson & Co.	105.09
C. H. Burgess & Co.	105.08
Fry, Mills, Spence & Co.	104.87
Macneill, Graham & Co.	104.87
Wood, Gundy & Co.	104.84
A. E. Ames & Co.	104.75
Goss, Forgie & Co.	104.69
McLeod, Young, Weir & Co.	104.51
R. A. Daly & Co.	103.78

TOWNSHIP OF TISDALE

An issue of $42,000, township of Tisdale, six per cent., 20-year debentures, has been awarded to R. M. Bird & Co., on a bid of 107.76. Following are the bids:

R. M. Bird & Co.	107.76
Doherty-Easson Co.	107.75
Municipal Bankers Corp.	107.744
Harris, MacKeen & Co.	107.61
Dyment, Anderson & Co.	107.473
Matthews & Co.	107.44
Gairdner, Clarke & Co.	107.272
Worthington-Savage & Co.	107.15
Wood, Gundy & Co.	107.07
J. L. Goad & Co.	106.94
Goss, Forgie & Co.	106.838
Bell, Gouinlock & Co.	106.82
C. H. Burgess & Co.	106.34
McLeod, Young, Weir & Co.	106.29
Macneill, Graham & Co.	106.18
MacKay-MacKay	105.70
Wm. C. Brent & Co.	105.43

Tenders and By-laws

TENDERS WANTED

June 9. School Municipality of Shawinigan Falls, P.Q.—$75,000, five per cent., serial, 20-year debentures. J. O. S. Brunet, sec.-treas.

June 10. Town of Bagotville, P.Q.—$89,000, five and 5½ per cent., 10 and 20-year term bonds. Louis P. Chayer, sec.-treas.

June 17. City of Shawinigan Falls, P.Q.—$245,700, five per cent., serial debentures. A. J. Meunier, sec.-treas.

BISMUTH PRODUCED IN CANADA

OTTAWA.—Bismuth was reported for the first time in Canada's mineral production for 1924. This metal occurs in the silver-Cobalt ores in small quantities. Shipments of this metal for 1924 amounted to 12,863 pounds, valued at $16,079.

J. P. Morgan, acting through his Flintlock Realty Co., will raze old Harper Bros. publishing plant in Franklin Square which he purchased two years ago, and erect largest commercial garage in downtown Manhattan, a three-story $500,000 building.

TORONTO EXPECTS TO RETURN SOON TO LONDON MARKET

City Commissioner Will Re-establish Toronto's Old Connection There

In connection with the recent announcement that Toronto's finance commissioner, contemplates a return to the London market within the next six months as a result of Britain's return to the gold basis, in view of the fact that the city will have to make some heavy expenditures in the next few years, it may be pointed out that Toronto's old connection as established some years ago and maintained by frequent visits of the treasurer to London, has been entirely lost. Twelve years have elapsed since then, and it will be Toronto's task to re-establish itself in the London market in the face of vigorous competition from other quarters of the empire. This will require very judicious handling as some of the loans to overseas dominions have been left on the hands of the underwriters.

Measured by the price Toronto has obtained in New York, its bonds rank even with those of the provinces of the Dominion, and in its sale of harbor bonds recently, Toronto got a price that has not been equalled for long term bonds, 4.79. It is also to be remembered that the city has a good market in New York, but that one advantage of going to London is the distribution of debt.

Another factor which should be taken into consideration is that in 1914 the gross debt of the city was $75,000,000, while at the end of 1924, this sum had more than doubled, being approximately $170,000,000; while about $135,000,000 of new debt has been floated since the city last went to the London market.

In Touch With British Market

"Since I realized that sterling had to go back to par some time, and that England would get back to the gold basis at the earliest opportunity, I started three years ago making all the bonds issued in the Dominion market payable in London as well," said Mr. Ross, in an interview with The Financial Post. I wanted some of our bonds to get back into London because it was desirable that English investors have a clearer understanding of serial bonds, which they didn't have, as the issuing of this type of bond is a practice of the western hemisphere. It is interesting to note that a substantial sum of Toronto serial bonds have found their way back to the English market in the last two or three years."

Asked whether the interest rates in Britain would not be so high, in order to keep gold from being exported, that Canadian borrowers would not be interested in that market, Mr. Ross replied: "Yes, for six months. It is well known that the policy of the city has been to look ahead for some years and is not expected that an English issue will be made in the immediate future. The overseas dominions, as a matter of patriotism, should not flock into the London market until the country is properly established on a gold basis. With the financing of the duplicate water system, North Toronto sewage, viaduct and subway schemes, all things being equal, Toronto will doubtless turn to the London market within the next year."

The city is faced with an expenditure of over $30,000,000 for the abovementioned undertakings within the next few years.

N. S. House Provides For Civic Borrowing

From Our Own Correspondent.

HALIFAX.—Following is a list of the more important towns which will be in the market for loans, as authorided by the recent session of the Nova Scotia legislature:

Springhill, for school, fire protection and streets	$17,000
Amherst, to retire maturing debentures issued in 1895	13,000
Windsor, for water works extension and war memorial	6,200
Mulgrave for the installation of electric light and power	25,000
Digby, to retire debentures and for water extension (This town is authorized to issue for said loan serial bonds in the sum of five hundred dollars and multiples thereof bearing interest at the rate of five per cent. per annum.)	40,000
Pictou, for redeeming maturing debentures	10,000
Truro, to replace water mains	16,000
Westville, for school purposes	15,000
Annapolis Royal, for electric light and school purposes	13,000
Bridgewater, for improving electric light and power distribution and additional fire protection	27,000
Middleton, for retiring maturing obligations and improving water system	20,000
City of Sydney, for street improvement (This has since been authorized by the ratepayers through a plebiscite taken May 18).	50,000
Cape Breton, municipality for improvements and also paying cost of recent audit	17,000

There are a large number of smaller borrowings to be made by other municipalities to cover a variety of developments.

TIRE WAR BREAKS OUT JUST AS RAW RUBBER GOES UP

(Continued from page 1)

prices have for the most part been below those of the U.S. and are in fact said to be too low. The blame for this is laid upon a couple of the small tire companies who have made it a practice to seriously cut under the price of the large producers. It is said to be a general practice of the small companies to undersell the large companies slightly but a couple of the companies have cut prices so seriously that they have been the means of gradually pushing prices down, until some of the manufacturers say that they are selling 25 per cent. too low to-day, or about the amount that prices have declined this year.

Bought in New York

The great bulk of rubber used in Canada is purchased from New York. The U.S. Department of Commerce has predicted a serious shortage of rubber three years hence because of the British restriction on crude rubber production. Reports from London are to the effect that high as prices are, they may go higher. There is not a famine in sight but it is said that things are drifting into a tight corner. The Stevenson plan is said to have brought prices to a level remunerative to the grower and helped the plantation companies over their financial difficulties. It has also caused the dissipation of London's huge rubber surplus that had been hanging over the market for some time.

Higher prices may in the end ensure considerably lower prices. It will lead to greatly increased production and the 10 per cent. increase in permitted exports may be increased by another 10 per cent. in August, or to an 85 per cent. basis. The situation seems to be an immediate one. Prices went up too fast discounting a greatly increased U.S. consumption. The indication now is that consumption in the U.S. will be curtailed and also in Canada, in a measure, as curtailment in the U.S. on quite a large scale is also being considered. In the meantime surplus stocks in London have dropped from 54,000 pounds to 10,000, and speculators are said to have been in a good measure responsible. It is speculation which, it is said, may put rubber prices higher.

MANITOBA POWER MAY INCREASE CAPACITY

Possibility That a Further 28,000 H.P. Will be Added to Plant Next Winter

From Our Own Correspondent.

MONTREAL.—Due to the increased demand for its power, the Manitoba Power Company, the subsidiary of the Winnipeg Electric, has under consideration the installation next winter of an additional unit at its plant at Grand Falls on the Winnipeg River.

The plant at present develops 56,000 h.p. and has an ultimate capacity of 168,000 h.p. Should another unit be added within the next year the total would be brought up to 84,000 h.p. Until almost recent months, the company experienced a difficulty in selling all its power output, but last year's good crop, combined with other factors which have brought industries to the city of Winnipeg, has made for a much larger demand for power, with the result that the company contemplate this further addition to its power supply.

In the meantime the city of Winnipeg has under consideration by a special committee the price set by 'Peg Electric for its tramways system; despite all the newspaper talk about the certainty of the city taking over the road, it is to be remembered that before such a thing occurs, the voters in Winnipeg must give their approval at the polls. It is expected, however, that the city would vote for public ownership of the street railway system due to the fact that in the past the voters have exhibited a strong public ownership tendency. Incidentally it is to be noted that the civic government of Winnipeg appears to be doing all it can to reach an agreement with the company as to price at which the road will change hands, if authorized at the polls.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

MUNICIPAL

Place	Date	Purpose	—Sold To—	Rate	Maturity	Amount	Price	Yield
Chilliwack	May	Improv.	L. Read & Co., Vancouver	5½%	1935	$20,000	99.87	5.50
Prince Rupert	May		Royal Financial Corp.	6%	1935	114,838	98.33	6.20
Riviere Du Loup	May		Municipal Debenture Corp.	5%	....	170,000	98.876	...
Crystal Beach	June	Water	MacKay & MacKay	5½%	1955	67,000	105.41	5.10
Orillia	May		E. B. Thompson, Orillia	5½%	1955	65,000	105.61	5.10
Digby, N.S.	May	Water	W. F. Mahon & Co.	5%	1945	40,000	....	...
Whitby	May		Locally	5½%	....	11,150	100.	...
Cayuga	May	Hydro	Matthews & Co.	5½%	1945	20,000	103.20	5.12
Tisdale Twp.	May		R. M. Bird & Co.	6%	1945	42,000	107.76	...

Government
and
Municipal Bonds

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The list of best investments
is constantly changing. For that reason you should submit your holdings to us for advice.
Probably we could advise a revision that would bring you a greater yield yet not sacrifice safety or saleability.
We would be glad to have you consult us.

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We have prepared special circulars dealing with the position of the following companies:—

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Insurance for Buyer and Seller

MODEL FIRE POLICY NOW IN FORCE IN FIVE PROVINCES

C. M. A. Committee Comments on Progress in Stable Insurance Law

The progress of the movement for the Model Fire Insurance Policy Act, is recorded in the report of the insurance committee of the C. M. A. It is now the law in Ontario, British Columbia, Alberta, Saskatchewan and Manitoba, and it is expected that it will become law in other provinces. The committee notes that at the annual conference of Provincial Insurance Superintendents the general trend towards uniformity of insurance law was dealt with by the superintendents of various provinces. At the present time there is uniformity of statutory conditions for life, automobile, accident and sickness insurance. In addition to the Model Fire Insurance Policy Act, various other matters of more technical interest were discussed, including the Model Life Insurance Act, statutory automobile conditions, reserves for insurance companies other than life, inspection of provincial companies, reciprocal insurance legislation, accident and sickness statutory conditions, underwriters' agencies, central deposit for provincial companies, uniform annual statement forms and legislative regulations of insurance agents.

Reciprocal Insurances

At the recent session of the Ontario Legislature, an amendment of the Insurance Act provided for the coming into force of Part XII of the 1924 Act, which enables reciprocal exchanges to do business in Ontario without making a deposit provided they take out a license.

The situation prior to the passing of this amendment was that while the New England Mutuals and English Lloyds had, under the 1924 Act, the right to operate in Ontario without making any deposit, the reciprocal exchanges did not enjoy this right, owing to the fact that Part XII. of the Act which gives them this right had not come into force. Until Part XII. came into force, it is to be noted that the only protection enjoyed by Ontario firms insuring in reciprocal exchanges was that afforded by section 21, S.S.4, which excluded from the operation of the Act, insurance effected for "protection only and not for profit," provided that such insurance was effected outside of Ontario and without any solicitation whatsoever in Ontario, directly or indirectly, on the part of the insurers.

Now that Part XII. has come into effect the situation is that reciprocal exchanges can do business in Ontario without making a deposit provided they take out a license.

1924's Largest Power Plant Was That of St. Maurice

Of the power developments completed and brought into operation during 1924 the largest was that of the St. Maurice Power Co., at La Gabelle on the St. Maurice river with an installation of 120,000 h.p. This plant embodying the most up-to-date features of hydro-electric design, was constructed in record time well in advance of the preliminary programme. All of the output has been contracted for by the Shawinigan Water and Power Co.

New Tax on Policies Issued

Any underwriting agency, trust company, loan company, or association, doing business in Halifax and issuing policies of insurance is deemed a separate company and liable to pay a special tax as such, notwithstanding that the policies issued by it are issued in the name or on behalf of any company which is itself liable for a special tax. This is in accordance with a recent amendment to the city of Halifax charter.

STEEL FIRE DOORS AID FIRE FIGHTING

Rubber Concern Greatly Reduced Loss by Such an Installation

Steel fire doors have come to be regarded as important factors in building construction in reducing the fire menace and some companies show favorable regard for them in their policy just the same as they do sprinkler systems. An evidence of the value of these was well emphasized in a fire at I. T. S. Rubber plant, Toronto. The central portion of the plant was gutted completely and $21,000 damage done. Off the main building are side wings and the entrances to these are guarded by steel fire doors. These halted the fire. It is estimated that the saving to the company as a result was $50,000 as valuable stock was carried in these wings.

Steel fire doors effect economies in insurance cost, just like the sprinkler systems do. Some interesting figures have come out from time to time to show that firms by adopting such fire fighting aids, have saved the cost of installation in insurance premiums in very brief space of time.

Says Sprinklers Reduce Fire Loss Risk by 90%

During the discussion of the report of the Insurance Committee at the annual meeting of the Canadian Manufacturers' Association, at Hamilton, some particularly strong things were said in favor of the installation of sprinkler systems as protection against fire in industrial plants. The statement was made by W. H. Shapely, that experience had shown that about 90 per cent. of the industrial plants fire loss risk could be eliminated by the installation of the standard sprinkler systems and other precautions to make these systems effective.

Business Insurance Shows Rapid Growth of Late

Corporations as beneficiaries are appearing frequently in insurance policies to-day. The practice of insuring lives of business executives in favor of firms or organizations makes steady progress. New York Journal of Commerce records that in a group of 4,000 cases chosen by Prudential Life at random, 20 or ½ of 1 per cent. had corporations for beneficiaries. Partners totalled 12 or 3-10 of 1 per cent; 52.7 per cent. were wives, husbands 6.2 per cent.

A license has been granted to the Lumbermen's Mutual Casualty Co., by the Department of Insurance at Ottawa, to do business in automobile insurance, excluding insurance against loss or damage by fire and theft; plate glass insurance and accident insurance, excluding insurance against loss by reason of bodily injury to the person.

QUEBEC.—Under the supervision of the Provincial Department of Roads, 5,000 apple trees have been planted along the Montreal-Quebec highway.

Nationalization of Insurance Does Not Mean State Insurance

By G. D. FINLAYSON,
Superintendent of Insurance, Ottawa.

We hear a great deal to-day about nationalization of life insurance. We have the example of the mother country which has recently announced a great extension in the system of state insurance. I am also very strongly in favor of nationalization of life insurance; but there are different ways of accomplishing nationalization. You can nationalize insurance by bringing it directly under the control of state; but you can also nationalize it by having the private insurers serve the national interests, and of the two I prefer the latter. Different countries working under different traditions, have diferent methods of public finance; but I am sure of this, that for this country the popularization of life insurance through private sources and private initiative is very much more in the interests of this country than any system of state insurance or any system of insurance made compulsory by statute. The psychological difference is very great. Any educationalist will tell you that the greatest joy of the teacher is not having the pupil do what the teacher tells him or remember the information he imparts. What he most desires to do is to gradually develop in that pupil a capacity for informing himself and developing principles by which he will be able to govern himself. In the same way I think the benefit to the nation at large from having people voluntarily insure themselves for the benefit of their dependents is very much greater than from any mechanical compliance with an act which says that you must do so and so.

Strong—Vigourous—Canadian

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More than 90 million dollars paid to claimants since 1851.

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TOTAL BENEFITS
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$81,000,000.00
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W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

PROCEEDS OF POLICY EXEMPT FROM CLAIMS

New Uniform Act Seeks to Protect Beneficiaries From Seizure for Debts of Insured

In addition to points mentioned by the Financial Post recently, outlining provisions in the new Uniform Insurance Act, the following brought out by M. D. Grant of the Sovereign Life are of special interest to policyholders. In regard to income insurance he says:

"Where a policy provides for payment of the sum assured in instalments and stipulates that the beneficiary shall not have the right to commute or to alienate or assign his interest therein, the company may not commute such instalments or recognize any assignment by the beneficiary; and such instalments in the hands of the company shall be non-seizable for debt, except for necessaries supplied to the beneficiary or to his or her infant children. Note, however, that the insured may authorize the beneficiary to commute, alienate or assign the instalment moneys even though the policy itself expressly forbid it; and note further that a court, 'in view of special circumstances,' may permit the beneficiary to commute where such right would otherwise be lacking. After the death of the beneficiary, his or her heirs may commute under any circumstances.

Company Holds Proceeds

"The Act permits the insured or the beneficiary to authorize the company to hold the proceeds of a matured policy on deposit at interest subject to the beneficiary's order, or upon such trusts and conditions as may be provided for in the original policy or in a subsequent agreement. This section confers upon life insurance companies the ordinary powers of a trust company in this special field, so that they can now legally retain and invest insurance moneys for beneficiaries."

Accident Insurance Is Good Investment

Was Floyd Collins taking chances? An insurance actuary can prove that, comparatively speaking, he didn't take the chances of the pedestrian who crosses the street. The San Antonio, Texas, Express says:

"Where lies the path of safety? Kentucky's state geologist says caves are safer than city streets and in the same issue of the San Antonio Express it is observed by the president of the National Safety Council that at least 20,000 persons were killed in automobile accidents in the United States during 1924. More dangerous, however, than the crowded street is one's own home. More accidents occur in homes than in factories. In proportion to the number of men in a given area at any one time the farms are more dangerous than were Europe's battlefields. There is no especial moral except that accident insurance is a good investment."

The Record of Fire Losses in Canada

Place	Property	Date	Loss	Insurance	Cause
Prince Edward Island					
Kinross	A. McLeod, res.	May 12	total	......	spark
Margate	H. Thompson, res.	May 12	total	......	spark
Nova Scotia					
Cedar Lake	A. Durkee, barn and cont.	May 15	heavy	partial	unknown
New Brunswick					
Edmundston	Denis Martin, garage	Apr. 14	total	covered	......
Quebec					
Quebec	J. Racine, tannery	May 13	$15.000	......	......
Saint Robert	School	May 14	total	......	unknown
Shawinigan Falls	Jos. Perault, garage & cars	May 15	considerable	......	......
Montreal	Ryan Dry Cleaning Works	May 16	considerable	......	explosion
Wrightsville	D. B. Harper, planing mill	May 29	50,000	......	......
Erie	Post office & bldgs.	May 18	50,000	......	......
Ontario					
Toronto	Can. I. T. S. Rubber Co., factory	May 25	21,000	covered	unknown
Grimsby	A. F. Hawke, store	May 23	heavy	covered	explosion
Toronto	J. Faulkner, store	May 28	5,000	none	......
Toronto	C. B. Williams, planing mill	May 28	7,000	......	......
Brantford	G. T. Folsetter, barn	May 16	10,000	partial	......
Port Hope	R. Cleugh, barns	May 19	20.000	12,000	......
Smith's Falls	J. D. McGinnis, planing mill	May 27	15,000	partial	......
Brampton	J. Thompson, barn	May 26	7,000	covered	lightning
Stoney Creek—					
	F. J. Cline, store	May 16	3,500	1,800	lightning
	Mrs. A. Moore, res.	May 16	3,000	......	lightning
	Enoch Van Dusen, effects	May 16	700	......	lightning
	Murray Dean, residence	May 16	3,000	1,400	lightning
Toronto	Beder Fur Co., factory	May 29	heavy	......	unknown
Smith's Falls	A. Leach, barn	May 18	total	......	......
Owen Sound	D. Mullinex, res.	May 21	considerable	......	sparks
Oakridge	H. F. Falkiner, store	May 27	5,000	......	unknown
Oakridge	St. Dunstan's Church	May 27	500	covered	unknown
Burlington	Town Hall	May 15	7,000	......	def. wiring
Campbellford	W. Cock, res.	May 15	5,000	......	unknown
Prescott	W. P. McCarthy, barn	May 28	total	......	unknown
Toronto	C. Short, store	May 28	1,500	......	unknown
Toronto	C. McKenna, res.	May 28	1,500	......	unknown
Toronto	T. Sullivan, res.	May 28	total	none	......
Mount Dennis—					
	E. T. Parker, furniture	May 28	2,500	none	boiling tar
	W. Stafford, res.	May 28	2,500	covered	boiling tar
Heyworth	B. Cruikshanks, res.	May 27	4,000	......	......
White Fish	4 houses	May 16	total	......	......
Toronto	Dominion Bk. Bldg., basement	May 28	1,100	......	unknown
Smithville	C. L. Adams, hotel	May 18	total	partial	......
Manilla	G. Williamson, barn and contents	May 19	total	partial	gas engine
Ft. William	Mrs. R. Raby, gar. & bldg.	May 18	total	none	......
Saskatchewan					
Birch Hills	H. O. Halverson, barn	May 9	total	covered	unknown
Alberta					
Castor	R. E. Hamilton, barn & horses	May 9	2,500	none	straw stack
Castor	Jos. Lapier, barn	May 7	3,000	covered	unknown
British Columbia					
Vancouver	Robertson & Hackett, mill	May 13	300,000	......	......

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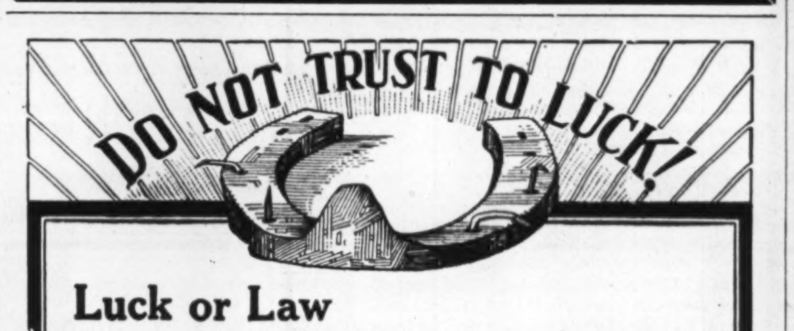
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W. G. WATSON, General Manager.
H. M. FORBES, Ass't. General Manager.
Toronto Ottawa Winnipeg Saskatoon Vancouver

How Canada is Financed

(Continued from page 2)

party from whom the supplies were purchased, when the job is completed. The forms consist of an agreement in triplicate, one for the finance company, one for the contractor, and one for the property owner. The owner agrees to the terms of the payment providing for not less than 20 per cent. cash and balance in ten monthly instalments of not less than $10 each. He agrees that failure to meet the notes will make him responsible for all costs of enforcing collection, and that the full amount of the loan will become due if the premises are sold or the mortgage transferred. The plan is said to have been very successful, especially in the United States.

The interest rate quoted by the finance companies handling such agreements in Canada was recently reduced from 12 to 9 per cent. This unqualified statement does not truly represent the rate of interest really applying to the job, however. It would do so if the full value of the contract was loaned for the year but 20 per cent. of it is paid in cash and balance over 10 monthly payments while the nine per cent. interest is added to the full value of the job. The following is an illustration of how this works out:

To the contractor's estimate of $200 for the job is added 9 per cent., $218.

Customer pays 20 per cent cash, $43.60

Balance repayable over 10 month period in equal monthly instalments, $174.40.

This $174.40 repayable in 10 monthly payments is, for the purpose of estimating interest, equivalent to a total advance of half of it or $87.20 for the whole ten months without any monthly repayments.

Thus for the use of $87.20 for ten months the customer is paying $18. This is equivalent to the rate of annual interest of 24.77 per cent.

Other phases of the question of financing credit sales will be dealt with in subsequent issues.

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Branches throughout Canada and in London, Eng.

PACIFIC-BURT COMPANY, Limited

Report of the Board of Directors to the Shareholders for the year Ended March 31st, 1925

The Directors present the following Report, showing the results for the year ended March 31st, 1925, together with Statement of Assets and Liabilities:

STATEMENT OF PROFIT AND LOSS AND SURPLUS

Profit on operations for year, before providing for Depreciation, etc.		$197,161.44
Deduct:		
Provision for Depreciation of Plants	$67,707.07	
Written off Patents	12,552.44	
Contributed to Employees under By-law No. 9	2,532.73	
		82,792.24
Net Profits for year before providing for Federal Taxes		$114,369.20
Deduct Dividends:		
On Preference Stock, Nos. 55, 56, 57 and 58 at rate of 7% per annum	$ 45,206.00	
On Com. Stock, Nos. 30, 31, 32 & 33 at rate of 6% per per annum	39,252.00	
		84,458.00
Balance of Profits		$ 29,911.20
Surplus brought forward at 1st April, 1924	$195,748.20	
Less Federal Taxes paid on previous year's earnings	19,121.64	
		176.626,56
Surplus (subject to Federal Taxes) carried forward		$206,537.76

The less favorable business conditions on the Pacific Coast, referred to in last year's report, continued throughout the year. We were able to maintain our volume of business, but in order to do so it was necessary to extend our sales effort at considerably increased cost. At the same time expenditures were made in developing a new line of product, which promises to yield excellent returns.

Liberal provisions have been made for depreciation of plant and equipment and for amortization of patents. The Company's factories have been maintained in first-class condition and their efficiency increased during the year.

Out of the year's profits the sum of $2,532.73 has been contributed under authority of By-law No. 9 to assist members of the factory organization to purchase shares in the capital stock of the Company. The stock purchase plan is working to the mutual benefit of the employees and the Company.

The Directors have pleasure in recording their appreciation of the loyal and capable work of all members of the Company's staff.

By order of the Board.

S. J. MOORE, President.

STATEMENT OF ASSETS AND LIABILITIES

MARCH 31st, 1925

ASSETS

Capital Assets:		
Real Estate and Buildings	$142,429.00	
Plant, Machinery and Equipment	704,567.68	
		$ 846,996.68
Goodwill and Patents		865,434.36
Current Assets:		
Merchandise	$291,003.28	
Accounts and Bills Receivable after providing for Bad and Doubtful Debts	304,896.80	
Investments	2,540.00	
Cash at Banks and on Hand	56,418.22	
		654,858.30
Prepaid Expense		18,948.37
		$2,386,237.71

LIABILITIES

Capital Stock:		
Authorized and Issued:		
Preference Stock—6,458 shares of a par value of $100.00 each	$645,800.00	
Com. Stock—6,542 shares of a par value of $100 ea.	654,200.00	
		$1,300,000.00
First Mortgage 6½% Sinking Fund Bonds due 1937		350,000.00
Current Liabilities:		
Accounts and Bills Payable	$175,325.24	
Bond Interest	11,375.00	
Dividend on Pref. Stock, payable April 1st, 1925	11,301.50	
Dividend on Com. Stock, payable April 1st, 1925	9,813.00	
		207,814.74
Reserve for Depreciation		321,885.21
Surplus (subject to Federal Taxes)		206,537.76
		$2,386,237.71

At the Fourteenth Annual General Meeting of the Shareholders, held on June 1st, 1925, the President, Mr. S. J. Moore, reviewed the operations of the Company for the previous year.

The Board of Directors was re-elected, as follows: S. J. Moore, A. E. Ames, E. G. Baker, H. T. Scott, H. P. Brown, F. N. Burt, James Ryrie, C. W. Colby and S. J. Moore, Jr.

The Officers were elected as follows: S. J. Moore, President; A. E. Ames and E. G. Baker, Vice-Presidents; H. P. Brown, General Manager, and W. N. McLeod, Secretary.

POST-Scripts

WHEN the fishermen of Lunenburg built the "Bluenose" to compete in the Atlantic fishermen's schooner races there was a rather wide suspicion among the landlubbers of the Dominion that the boat was being built purely as a racer and that the promise that she was a regular fishing schooner was something in the nature of sporting writers' "bunk." The "Bluenose" is several years old now and it may interest the suspicious ones among whom was numbered the writer of this paragraph—that the "Bluenose" goes out on the banks with all the other schooners of Lunenburg and that as a fishing boat she has been just as much a success as she has been as a race winner. She has paid her owners 15 to 25 per cent. in dividends every season since she was built.

* * *

OF COURSE the building of boats is a fine art among the Lunenburg fishermen. Zane Grey, the American novelist who writes such weird and thrilling yarns of the parched desert plains, finds his recreation in sailing in a boat that he had built for him last summer by Lunenburg fishermen. He left $100,000 behind him last summer in Nova Scotia but he got a good boat, one that is not only a yacht of trim lines but one that could go out and earn her way in the salt fish trade.

* * *

THERE have been strong temptations to keep Lunenburgers off the cod banks during the past few years and many of them have gone openly into the business of carrying Demerara rum and other labels to thirsty Americans. Rum running has proven an exceptionally profitable business up and down the Nova Scotia coast and has added greatly to the wealth of the thrifty citizens of the shore towns.

Many of the old sea captains and their families have declined to go into the business, moral scruples that have developed in several generations of hard-working, every day practise of religion preventing them from handling rum.

* * *

THE LUNENBURGERS are among the wealthiest and thriftiest citizens of Canada and it is on record that saving deposits in Lunenburg county average higher per capita than in any other area in the Dominion. The original settlers came out from Germany 160 years ago and while the German language has been dropped and German associations entirely abandoned, the thrift, the will to work, cleanliness, musical tastes and German names have remained to stamp the colony with an indelible imprint of its origins. They have gone in for co-operative effort on a large scale and all of the scores of fishing schooners are co-operatively owned, and the profits at the end of a season divided. The co-operative effort extends to marketing and has helped to bring for the catch of the Lunenburg boats the highest market prices. Last year the Lunenburgers got $11.60 a quintal for their fish, the highest of any fishermen along the entire coast. Yet the entire effort is carried out on a basis of honor. Lungergers would consider it an insult to be asked for written contracts. They are themselves honest and they trust the world.

* * *

ALTHOUGH the prevalent idea of making money in stocks seems to be that of the spectacular trader who piles up a million in a few months' hectic pyramiding, often enough more real money is made by those patient individuals who select a property of real merit and after careful investigation put all their eggs into one basket and then watch the basket.

One of the most remarkable examples of this method was brought to light by the death of an old employee of the Procter & Gamble Co., who passed away at the age of 80, leaving a total estate of $3,000,000.

He had been a salaried man all his life and had never borrowed a dollar to buy securites. He simply put all his savings into the stock of the company he worked for, every year buying a little more. His fortunes grew with those of the company and he later branched out into other sound issues, always on a cash basis. The result of his life efforts certainly justified methods that to many operators in Wall Street would seem unendurably slow, says the Wall Street Journal.

ONE of the boasts of Saint John, N. B., is that it was never a village and never was a town. It was a city from the day it was founded. The city was established by a band of United Empire Loyalists, who left the United States because they differed in their political views from the colonists after the latter's success in the American revolutionary war. Enough of them came to establish a city from the start without the slow growth from small settlement to metropolitan size.

Saint John is to-day called the Loyalist city. The name of the city is of French origin. The river Saint John was discovered by Champlain on St. Jean Baptiste's day, June 24, 1604, and was then named by the great explorer. A French fort was established under the name of Fort la Tour but when the Loyalists came they adapted the name of the river to their new community. Saint John was the first city in Canada to be incorporated.

When the Loyalists came they stole the British coat of arms from the old State House in Boston, on the ground that American colonists wouldn't have any use for it now that they were working out a nation of their own. The coat of arms is now in Trinity Church, Saint John.

* * *

CANADIANS have invested a good deal of money in British Guiana. British Guiana is a dyked land. It is practically level and lower than the sea level, but vast areas of fertile land have been reclaimed from the sea by a system of dykes, built by Dutchmen who went there to emulate the example of their forefathers.

The flatness of the surface of the land is responsible for the standing joke of the country. A Canadian business man who was traveling through British Guiana arrived back at his hotel in Georgetown one day and, with an affected sigh of weariness, announced that he had just been over the height of—

"How high is it?" he was asked.

"Nine inches."

* * *

NOT a little comment has been caused in the Maritimes by two recent statements made in "Post-scripts." One told of a Maritime business man who is considering moving to Central Canada in order that his sons might have better opportunity for success in business. Of this incident the Halifax Herald remarks: "This is indeed tragedy. It is the result of a crushing burden of provincial debt, levy and taxation that is grinding the life out of business and industry in this province. This burden must be lightened; Nova Scotia must have a chance to live and prosper."

The other statement told of a Maritime loaning institution that was considering opening an office in Montreal or Toronto to find an outlet for the funds that it had accumulated and which it could not use in the Maritimes under present conditions. But some of the directors are hesitating to take such a step; they are afraid the opening of the branch office would be but the first step to removing the head office to Montreal or Toronto; in other words the fear that the tail would grow to wag the dog. The Moncton Transcript comments on this as follows:

"Well might they call a halt! Perhaps some inkling of the great reservoir or raw products that lies at their feet may have reached them—true reports of coal and iron ore, of timber and of rich lands lying idle awaiting the touch of the tiller's hand. Possibly they have seen the imports of salt from Spain when there are great stores within their own boundaries. It may have been that they have heard of a great Canadian packing house that has seen fit to invest its funds in a branch in this city. They may have visioned dimly the future of this province supplied with cheap power from Grand Falls, filled with factories, with its ships again plying the seas from one of Canada's two Atlantic winter ports.

"It is the sincere hope of all those who may have read the article in The Financial Post that these are typical of the motives that underlay the hesitation of the directors, and that it was not mere indecision, fear of making any move. Let the provinces be investigated. Distant fields are always greenest, to quote a proverb. But they are not necessarily the most productive. May the Board in its turn press this suggestion upon its manager, that he build first his own home before he loans money to construct an addition to his neighbor's dwelling, his own home, it might be emphasized as well, being the Maritime Provinces.

NEW MACHINES ORDERED

MONTREAL.—Dominion Engineering Co. has received from the International Paper an order for four newsprint machines for the new mill at Three Rivers. The machines will be of 164 inch width and will be of the latest design. They will be built for a running speed of 1,200 feet per minute and will be the first high speed machines with a worm drive.

Electrical Development Important for Other Wealth it Makes Possible

ELECTRICAL development is with much justice called a key industry. We like to point to the $700,000,000 invested in electric power development in Canada and to the annual revenue of nearly $100,000,000 a year that we obtain from such development. But these figures, large as they are, are of minor importance compared to the wealth and production made possible by the application of the developed power to industry and community life generally. Electric power, and in Canada this means water power, is more valuable and vital as a stimulating influence on development than as a producer of revenue in itself. Analysis of the comparative investment in water power enterprises and in the industries they serve, that have been made by qualified authorities, indicate this very clearly.

Show Weakness of Power Export

Incidentally the results of the investigations show definitely why Canada would be unwise to clutch at the immediate wealth that might come from a policy of permitting the free export of electricity generated from water power. Such exportations would mean large sums immediately invested in water power plants and transmission lines but they would mean even larger sums invested in industrial plants in the country to which we export the power. By refusing to export the power Canada would insure this larger development for herself at some future time.

Water power development leads not only to the welfare and increase of the community in which it is situated, by the development of local industries, but it also directly benefits the whole country by the demand created for raw materials, machinery and manufactured products throughout the Dominion by that increased community and its industries.

The expenditure and temporary work involved in the development of a power site is fairly well understood. The permanent demand for raw material, machinery and manufactured products and the permanent employment supplied by the application of this power is not so fully understood. It is desired to emphasize the point that the application of the power, if it is utilized within the country, adds largely and permanently to general employment, increase of population and the productive capacity of the country.

Benefits accrue from both the development and application of hydro-electric power so far as they can be plainly seen and definitely valued, but it is clear that the establishment of new industries and additional employment benefits the whole state in many directions on which a direct value cannot be put.

Investigation of Actual Results

The fundamentals of the industrial expansion and employment due to water power development have been studied by John W. Morris, of the Westinghouse Electric and Manufacturing Co., in conjunction with the Southern California Edison Co. and the Journal of Electricity and Western Industry has also carried out a special census of western power developments to establish the average expenditure made and permanent employment furnished thereby.

The following particulars are based on the results of the above investigations of actual results.

The employees represent the number permanently employed—the manufacture and installations of wiring and appliances is continuous work keeping pace with the growth of the undertaking.

The directly resultant expenditures due to water power development may be tabulated thus:

Per 1,000 Horsepower Installed

	Investment	Employees	Salaries and Wages
Generation, transmission and distribution	$ 250,000	8.6	$ 13,350
Manufacture and installation of wiring and appliances	125,000	4.4	6,650
Factories, about 10	1,062,000	320.0	471,000
Mines & minerals	148,000	40.0	61,600
Electric rlys.......	276,000	12.0	18,500
	$1,861,000	385.0	$571,100

The original data allowed for part of the power being used for irrigation but in order to make the applications more general this has been included in other industries in the above table. It must be understood that the table represents general average conditions—for instance if there were no mines in the district the power would be used for other purposes—again, transportation must be provided for workers and the accompanying population, and in any large centre of population if power for electric railways is not provided by one concern, it is by another. In a small place the investment might be less, in a large city it might be more.

Development and Application

The first item in the above table may be called "development" and the remainder "application" and the respective importance may be shown thus:

PROPORTIONS DUE TO DEVELOPMENT AND APPLICATION

Per 1000 Horsepower

	Investment Total	Investment Per Cent	Employees Total	Employees Per Cent	Wages Total	Wages Per Cent
	$1,861,000	100%	385.0	100%	$571,100	100%
Development	$ 250,000	13.4	8.6	2.2	$ 13,350	2.3
Application	1,611,000	86.6	376.4	97.8	557,750	97.7

It will thus be seen that the benefit from the actual construction of a water power plant is almost negligible compared with the benefits that accrue from its application and from the resulting increase of industry within the country.

The above figures are approximate but they are an approximation based on the average results obtained in practice as shown by several census made for the purpose.

Means Larger Population

It may be pointed out that even this estimate is far from being complete since it does not include the additional population that must accompany the actual employees, nor for the cost of houses and municipal improvements such as streets, sewers, waterworks, etc.

On the average result in 14 Canadian cities and towns from coast to coast this number of factory employees, 385, means a total population of about 2,200 persons, the balance consisting of families and accompanying population such as storekeepers, clerks, doctors, lawyers, etc.

The further expenditure in providing houses and in municipal improvements such as streets, sewers, waterworks, etc., is very large and in addition there will be the production of raw material, allied manufacturers, increased railroad accommodation etc., so that the foregoing estimate is certainly far within the actual result.

1,000 H.P. Supports 2,000

It may thus be said that the development of each 1,000 h.p. of water power necessitates for plant and machinery, transmission and distribution and the application of the power to houses and other buildings and to factories and industries, an ultimate investment of $1,860,000 and the support of 2,200 persons.

The above in its full application applies to new use of power. If a portion of the new power is used to supplant existing fuel power there would be a diminution in certain of the items. In general, however, it cannot be claimed that if new development does not take place in one part of the country the people will be employed elsewhere. With a given amount of power developed the country can support a certain population and additional power development means not only increased employment and better wages but new and additional population.

The foregoing is based entirely on the supposition that the power developed is utilized in the Dominion but it is of interest to consider the comparative position if the power is exported.

It is obvious that if all the power is used at home Canada gets the whole of the above benefits.

Distributing the Benefits

If all the power is exported the benefit to Canada is the small proportion due to "development" plus an annual revenue, and not only is the whole benefit due to "application" lost to Canada, but it is directly applied to building up industry in a competitive country.

The net result may be summarized thus: Assume 5 per cent. interest per annum on capital and $25 per h.p. year revenue from power exported—then the benefits are distributed in the following proportion:

Money circulated, per cent.	7.4	92.6
Employment furnished p.c.	2.2	97.8

or the United States gets about 95 per cent. of the benefit of Canadian water power development when the power is exported.

In exporting electric energy we are exporting a raw material or at all events a product that is only partly manufactured—the manufacture is not complete and the product ready for use until the final transformation to working voltage—this requires some additional capital expenditure for buildings and apparatus and takes place at the point of delivery in an-

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.
Canadian Offices:
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.
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THE
ROYAL TRUST Co
EXECUTORS
AND
TRUSTEES

Canadian Municipals in the "States"

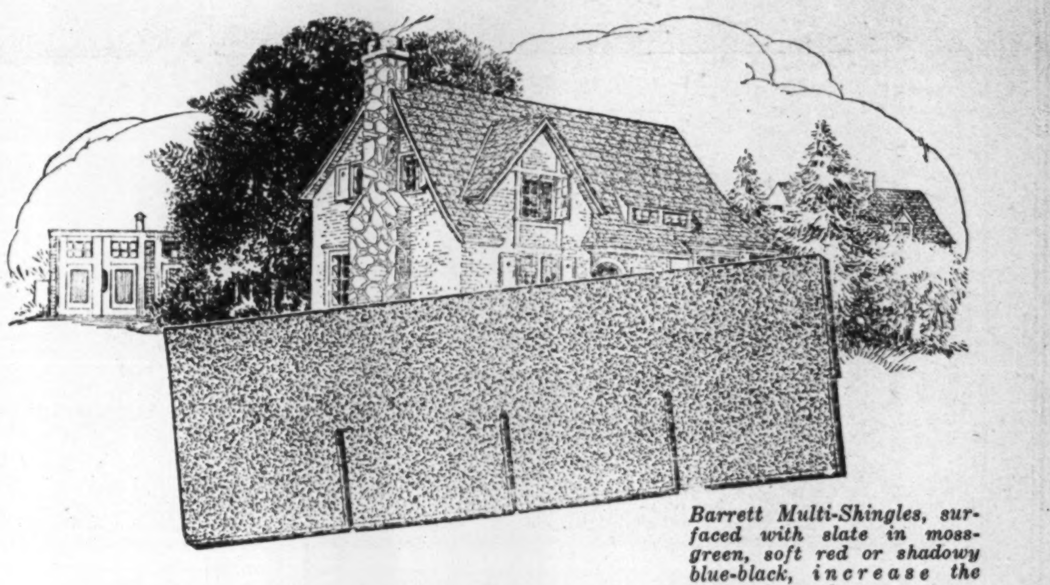
Next to United States Government, State and municipal bonds and a few of the highest grade corporation securities, the investor in the "States" ranks the bonds of Canada and her great provinces and larger cities. Many States permit savings and trust funds to be invested in such bonds and thousands of other institutions and private investors are in the market for bonds of the provinces and cities of the Dominion.

Public officials in charge of provincial and city finance and bond dealers with securities to market, should not overlook this market in the "States" when seeking buyers for Canadian municipals. Embraced in your bond sales publicity campaigns should be publications circulating in financial circles in New York, Boston, Philadelphia, Chicago, Cleveland, Detroit, St. Louis, and other investment centers of the U. S.

There are in the United States many excellent financial publications. There is one logical place in which to advertise a provincial or municipal bond offering. That is—

THE BOND BUYER
"The Authority on Municipal Bonds"
67 Pearl Street New York, N.Y.
Sample Copy and Advertising Rates on Application

After all there is nothing so satisfying as a good Cigar
Tucketts
Preferred Panetela
Cigar
2 for 25¢
308


Barrett Multi-Shingles, surfaced with slate in moss-green, soft red or shadowy blue-black, increase the value of any home.

You—Your Wife—and the Roof

Maintenance Pays!

Barrett Liquid Elastigum

A cement in liquid form composed of time-tested waterproofing bitumen and asbestos fibres. It's unequalled for keeping the surface of all roofs in water-tight condition. Low in cost and easy to apply.

Plastic Elastigum

"The waterproof cement of a hundred uses." Stops roof leaks, repairs flashings, gutters, cisterns, etc. Acid-proof and waterproof. Sticks tenaciously to any sort of surface. Low in price and comes ready for use.

Everjet Elastic Carbon Paint

A glossy, black paint for all metal or wood surfaces. It has scores of uses—for metal roofs, smoke stacks, boilers and radiators, furnaces and registers, machinery, water tanks (inside and outside), fence posts and fencing, farm implements, etc., etc. It prevents rust, has large covering power and is very durable and surprisingly inexpensive.

Made in Canada

It's important—this matter of the right roof for your home. You think first of durability and economy. Your wife considers beauty.

Barrett Multi-Shingles offer all these desirable qualities. Their base is a thick, tough felt—made to insure uniformly high quality. Their waterproofing is the highest quality of asphalt obtainable. Here are shingles that won't rot or rust—that will never need painting—that are highly fire-resistant. In brief, shingles that last!

These rugged shingles are made and laid four in a strip. This saves time, trouble and money—they can be nailed right over old wooden shingles.

Finally, they're handsome. Slate-surfaced in unfading moss-green, soft red, or shadowy blue-black, they increase the value of any home.

Ask the nearest Barrett Dealer to show you Barrett Multi-Shingles. There's a Barrett Roofing that exactly meets your needs—at an extremely reasonable price.

Write us to-day!

Tell us the buildings you plan to roof or reroof. We will send you free booklets that will help solve your roofing problem.

THE BARRETT COMPANY
LIMITED
MONTREAL TORONTO ST. JOHN, N. B.
WINNIPEG VANCOUVER HALIFAX, N. S.

Barrett
ROOFINGS
NO ROT NO RUST NO PAINT

BIG TAX SUMS COVERED BY RULE ON BOOTLEGGERS

Can Taxation be Evaded by Calling Profits Illegal?

From Our Own Correspondent.

OTTAWA. — Bootleggers are not yet assured of exemption from income taxation. The last has not been heard of the case of Cecil Smith, of Windsor, which was instrumental in bringing about the decision of the Supreme Court of Canada that the government could not tax his gains from illegal traffic in liquor. The Privy Council is very likely to be asked to review the judgment of the highest tribunal in the Dominion, and the government is not understood to have the preparation of its appeal under consideration.

Very large sums are stated to be at issue in this matter. The case of Cecil Smith, whose income was assessed at $92,000 and taxed at $28,000, is reported to be but a very small part of the gains made in illegal traffic in intoxicants; and his appeal to the Supreme Court is understood to have been financed by others who are playing a much more prominent role in the trade.

The decision of the Supreme Court caused much surprise and led to much comment on the results which would follow from it. The question was at once raised as to how far the ruling, that no tax could be collected on income which was the "proceeds of crime," would go to enable individuals to escape taxation by pleading that they had got their money by illegal means. Judge Audette of the Exchequer Court, who decided that Smith's income was taxable, based his decision largely on the ground that the confessed bootlegger should not be allowed to invoke "his own turpitude to claim indemnity from paying taxes and to be placed in a better position than if he were an honest and legal trader." The Supreme Court set aside this consideration, and thus gave the confessed violater of law an advantage, which has given rise to much speculation and to some criticism of the court.

What has largely escaped attention, however, is that in doing so the Supreme Court based its decision on the terms of the present income tax law, and made it quite clear that, in its opinion, this exemption of the bootlegger — and inferentially of other lawbreakers — from taxation, could be wiped out by an amendment of that act. In fact Justice Mignault's opinion explicitly stated that "no question arises as to the power of parliament to impose income tax on the avails of crime."

Therefore, even if the Privy Council should uphold the decision of the Supreme Court, the Dominion government has a remedy in its hands. The present income tax act can be amended to bring the bootlegger within its terms. It is not regarded as likely, however, that action in this direction will be taken until the meaning of the present law is finally settled.

Easy Credit Proposals Do Not Promise to Solve West's Problem

Improving on the Tory proposals for federal farm loan credits, which he heartily condems, C. W. Petersen, president and publisher of the Farm and Ranch Review, Calgary, offers a loan plan which embraces the following features:

(1) The loaning institution to be organized under special Federal legislation. It should consist of a central governing body, a small number of regional bodies, and a local organization consisting of farmer-borrowers.

(2) Sufficient funds should be advanced by the Federal government, with provision for speedy repayment, to enable the institution to start business.

(3) Upon the approval of a loan on any agricultural property, payment to be made to the borrower by issuing serial bonds of the organization to cover the amount authorized which the borrower himself negotiates in the open market through his bank.

(4) Such bonds to be rendered specially attractive to investors by exemption from all federal and provincial income taxation, such as is done in the United States. They should however, carry no government guarantees of any sort.

(5) A revolving fund to be maintained by the Federal government. at least during the early stages of the plan and until such time as an active, competitive market has been created for this class of securities, to support the open market for the bonds of the institution.

(6) The governing and regional bodies to be so organized that loans may be handled at a cost not to exceed one-half of one per cent. per annum on a reasonable minimum volume of business.

(7) The borrowers, through the local organization, to assume part of the responsibility for local administration.

(8) Each borrower jointly to assume liability, either unlimited or possibly within maximum prescribed limits, during the life of his loan and for one year thereafter for all other loans made by the organization, either within the whole Dominion, or within his province, or within his district, as may be found essential to completely guarantee lenders against any possible loss of principal.

(9) All present provincial legislation placing obstacles in the way of economical and speedy foreclosure on mortgaged properties to be repealed.

(10) All present Dominion and provincial legislation providing precedence over the mortgage of any and all obligations, excepting school and local improvement taxes, to be repealed.

(11) The organization to be extended into each province only on legislation being passed, where necessary, providing the requisite security for loans and definitely exempting the organization's bonds from income taxation.

Mr. Petersen in making his suggestions submits that the private companies cannot meet the situation satisfactory. With this the representative heads of the institutions now loaning in Western Canada and which for years have supplied the funds upon which western agricultural development has been financed do not agree. They say that while the Petersen scheme is preferable to the Tory proposals they do not believe that the western farmers would be prepared to accept it for the following reasons:

(1) Very few western farmers want to waste fifty years in paying off their mortgage when the average farmer believes he can liquidate his mortgage loan indebtedness in a very much shorter period.

(2) The terms of Section 3 of Mr. Peterson's scheme would, I also believe, be open to a great deal of criticism as the farmer might have to sell his bonds at a discount which might very easily become from time to time a fluctuating quantity.

(3) In my opinion the western farmer is too individualistic in his ideas to subscribe to Section 8 of the Peterson scheme, under which he would have to tie up his property and assets for the liabilities of all other borrowers under the Peterson scheme.

In the financial community there is general disagreement with Mr. Petersen's contention that loan and insurance companies cannot handle loans in the West. The question is put to Mr. Petersen that if the loan and insurance companies cannot deal with the situation after their years of experience in the field how can it be done by any other system without entailing losses which must be borne by the lenders or by the community at large.

THE WABASSO COTTON COMPANY, LIMITED

DIVIDEND No. 30

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending 30th June, 1925, payable on the 2nd of July, 1925, to Shareholders of record at the close of business on the 15th June, 1925.

By Order of the Board.
JAS. R. RITCHIE,
Secretary-Treasurer.
Montreal, May 14th, 1925.

Belgo Canadian Paper Company, Limited

Common Shareholders Dividend No. 3

Notice is hereby given that a quarterly dividend of 1½% has been declared on the Common Stock of this Company, and that same will be paid on the 11th day of July, 1925, to Shareholders on record at the close of business June 30th, 1925.

By Order of the Board,
A. DEHAUFFE,
Secretary-Treasurer.
Montreal, May 14th, 1925.

Belgo Canadian Paper Company, Limited

Preferred Shareholders Dividend No. 8

Notice is hereby given that a Dividend of 1¾% for the three months ending June 30th, 1925, being at the rate of 7% per annum on the paid up Preferred Stock of this Company, has been declared and that same will be paid on the 2nd day of July, 1925, to Shareholders on record at the close of business June 12th, 1925.

By Order of the Board,
A. DEHAUFFE,
Secretary-Treasurer.
Montreal, May 14th, 1925.

Iron and Steel Prices Still Decline in London

LONDON.—Iron and steel prices continue downward, notwithstanding the protest of manufacturers that they are unremunerative. Despite the low quotations, British pig iron exports have diminished and for the first time in many months Belgian pig is penetrating into the inland districts. Business in semi-finished steel has increased but Continental makers secured a large share of the orders.

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1925, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of July, 1925, to shareholders on record of the 20th June, 1925.

By Order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 28th May, 1925.

Dominion Textile Company, LIMITED

NOTICE OF DIVIDEND

A Dividend of One Dollar and Twenty-five cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending 30th June, 1925, payable 2nd July, to shareholders of record June 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, May 28th, 1925.

Canadian Car & Foundry Company, Limited, Montreal

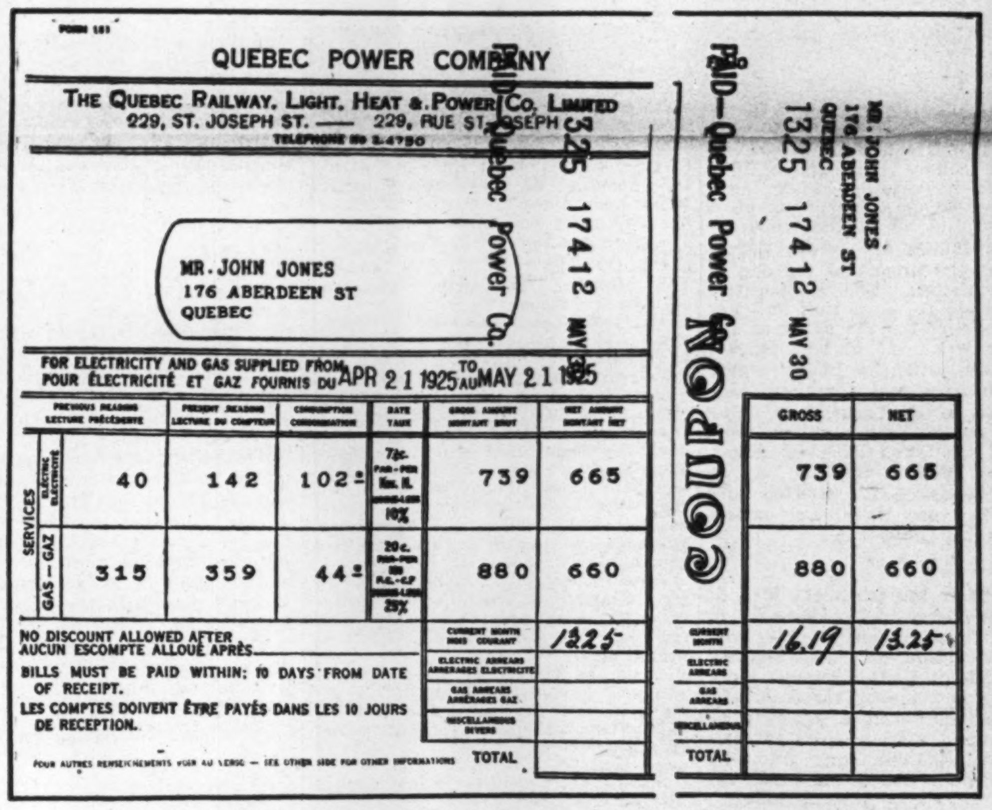
DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) upon the paid-up Preference Stock of the Company for the quarter ending June 30th, 1925, has been declared payable on the 10th day of July, 1925, to Shareholders of record on the 26th day of June, 1925.

By Order of the Board,
A. C. BOURNE,
Secretary.
Montreal, May 28th, 1925.

"Indispensable to the running of a Public Utility"

Showing one of the two National Cash Registers in the offices of the Quebec Railway, Light, Heat and Power Company



FORM 101

QUEBEC POWER COMPANY

THE QUEBEC RAILWAY, LIGHT, HEAT & POWER CO. LIMITED
229, ST. JOSEPH ST. —— 229, RUE ST. JOSEPH
TELEPHONE No 2-4750

MR. JOHN JONES
176 ABERDEEN ST
QUEBEC

FOR ELECTRICITY AND GAS SUPPLIED FROM / POUR ÉLECTRICITÉ ET GAZ FOURNIS DU APR 21 1925 TO / AU MAY 21 1925

SERVICES	PREVIOUS READING LECTURE PRÉCÉDENTE	PRESENT READING LECTURE DU COMPTEUR	CONSUMPTION CONSOMMATION	RATE TAUX	GROSS AMOUNT MONTANT BRUT	NET AMOUNT MONTANT NET
ELECTRIC ÉLECTRICITÉ	40	142	102	7¼c.	739	665
GAS — GAZ	315	359	44	20c.	880	660

NO DISCOUNT ALLOWED AFTER
AUCUN ESCOMPTE ALLOUÉ APRÈS
BILLS MUST BE PAID WITHIN: 10 DAYS FROM DATE OF RECEIPT.
LES COMPTES DOIVENT ÊTRE PAYÉS DANS LES 10 JOURS DE RECEPTION.
POUR AUTRES RENSEIGNEMENTS VOIR AU VERSO — SEE OTHER SIDE FOR OTHER INFORMATIONS

CURRENT MONTH MOIS COURANT	13.25
ELECTRIC ARREARS ARRÉRAGES ÉLECTRICITÉ	
GAS ARREARS ARRÉRAGES GAZ	
MISCELLANEOUS DIVERS	
TOTAL	

PAID—Quebec Power Co. 13.25 17412 MAY 30 1925

COUPON

MR. JOHN JONES
176 ABERDEEN ST
QUEBEC

PAID—Quebec Power Co. 1325 17412 MAY 30

	GROSS	NET
	739	665
	880	660
CURRENT MONTH	16.19	13.25
ELECTRIC ARREARS		
GAS ARREARS		
MISCELLANEOUS		
TOTAL		

Duplicate Bill. National Cash Register's printed figures on the duplicate bill is the customer's official receipt

THE Quebec Railway, Light, Heat and Power Company has two National Cash Registers to control the payment and receipting of bills for electrical energy and gas supplied by them in the City of Quebec.

Mr. O'Brien, chief of the accounting department, states that among the benefits derived by the use of National Cash Registers are:—

1. "Absolute check on incoming cash.
2. "Cashier is protected and freed from worry — hence, more efficient.
3. "Provides indispensable internal check for the accounting dept. The machine totals receipts for the day. This figure is known to the accounting dept. alone. The stubs of the bills, receipted and cut off by the National Cash Registers, go to the ledger dept. The ledgers are posted from these stubs, and the total of all the ledgers must equal the total for the day which the accounting dept. alone knows. An accurate and immediate control is thus established and errors avoided.
4. "The National Cash Register lets us know where we stand, supplanting accounting chaos and uncertainty with swift and sure efficiency.
5. "Speeds up service to customer — reducing to a minimum the time taken by a customer to pay his bill and to get a receipt.
6. "Builds customer confidence and goodwill. The amount of payment is printed by the registers on the receipts and registered in the machine. In case of dispute, it can be explained to the customer that the machines' registration cannot be tampered with thus establishing the record as correct.
7. "Gives a quick balance at the end of the day."

Other Canadian Public Utility Corporations that are using the National Cash Registers

British Columbia Telephones, Vancouver, B.C.
British Columbia Electric Railway, Vancouver, B.C.
Northwestern Utilities, Edmonton, Alta.
Winnipeg Hydro Electric, Winnipeg, Man.
Consumers' Gas Co., Toronto, Ont.
Hydro-Electric Commission, St. Catharines, Ont.
Ottawa Light, Heat & Power Co., Ottawa, Ont.
Montreal Water & Power Co., Montreal, Que.
Public Service Corporation, Quebec, Que.
New Brunswick Telephone Co., St. John, N.B.
Alberta Government Telephones, Edmonton, Alta.
Saskatchewan Government Telephone Dept., Regina, Sask.
Power Commission, St. John, N.B.
Government Telephones of Manitoba, Winnipeg, Man.
Newfoundland Light & Power Co., St. John's, Nfld.

The National Cash Register Company of Canada Limited

Toronto, Canada

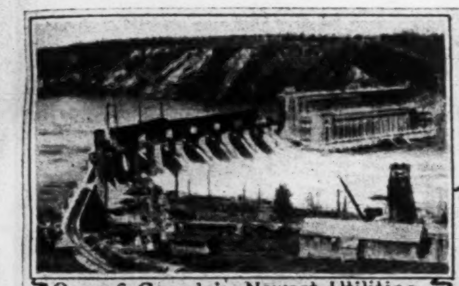
Offices in all the Principal Cities of the World

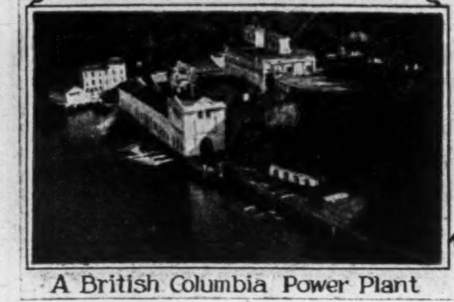
THE FINANCIAL POST

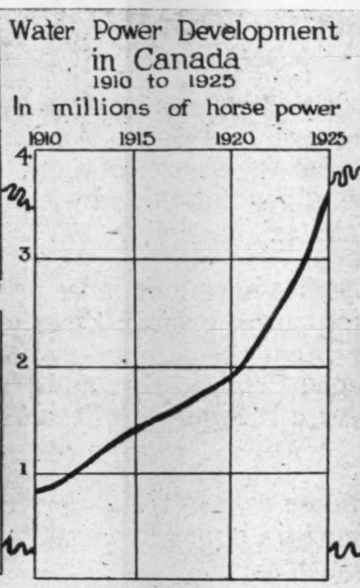
The Canadian Newspaper for Business Men and Investors

Special Section 17-40 PUBLICATION OFFICE: TORONTO, JUNE 5, 1925 Special Section 17-40

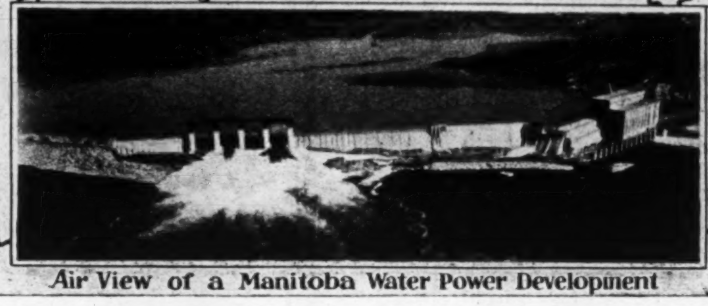
REVIEWING CANADA'S LEADING PUBLIC UTILITY INVESTMENTS

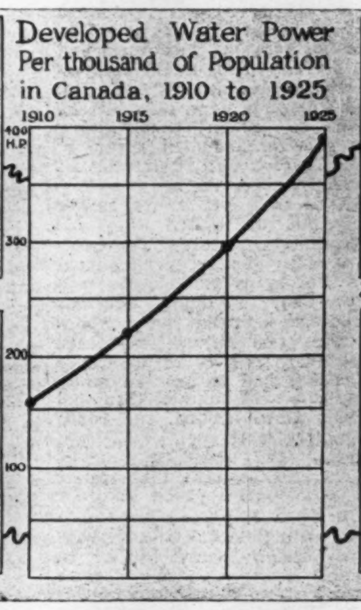

One of Canada's Newest Utilities

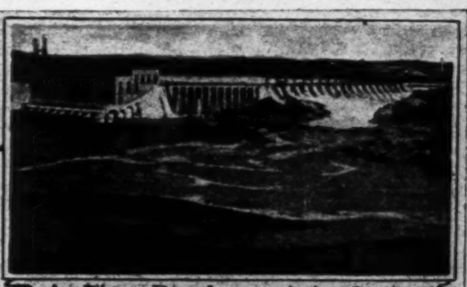

A British Columbia Power Plant



Tumbling Waters on the Ottawa River


Air View of a Manitoba Water Power Development




A Fine Development in Quebec

Power in the Canadian Rockies

Record and Future of Companies Will Turn Investors to Utilities

Gas and Electric Companies Present an Almost Unbroken Record During the Past and the Traction Corporations Have Most of Their Troubles Behind

By RIELLE THOMSON.

IF THERE is one class of security which has done well by the investor, it is those which have been issued by the public utility and power companies.

The record of hydro-electric development in Canada has been one of rapid growth coupled with exceptional return to the shareholders.

The record of gas companies presents a clear sheet. On the tramways side of the ledger, the results have not always been so happy, due to many cases in the past of needless friction between civic authorities and the companies. But now these unfavorable influences appear to be on the wane; tramways companies have at last discovered the necessity of taking the public into their confidence. The results from the more reasonable treatment of the public, coupled with the customer ownership campaigns, which of late have loomed so large in public utility management of all kinds, point the finger to the dawn of a happier day for the "Tramways."

Altogether there seems to be no visible factors which will prevent the continued growth and expansion of the power and the public utility corporation.

Because of their creditable record, and because of the prominent place occupied by power and public securities, The Financial Post presents this complete record of the various companies.

No Measurement Unit

The futility of attempting rules and units of measurement in comparing different securities is clearly demonstrated here. Although the companies all belong in the one group of hydro-electrics and public utilities and consequently are closely comparable, there is no unit of measure that can be fairly applied to each. The most satisfactory unit of comparison of power companies that has yet been discovered is the ratio of capitalization, earnings, etc., to developed horsepower. This ratio, however, in many cases becomes unreliable because, while some companies have an investment only in dams and power houses and are wholesale manufacturers and distributors of power, others have a large investment in transmission and distributing systems and do retail as well as whole sale selling. In other cases there is a substantial investment in other forms of business, such as traction lines and gas plants. It is generally impossible in these cases to segregate the investment in other lines from the specific investment in water power plants.

In the comparison of gas companies or street railway companies, the same applies; but although investment can never become an exact science, yet the fundamental data must be obtained. It is to give this fundamental data that this feature supplement is published.

Construction Bonds

"Construction bonds" is a term very often used in condemnation—frequently with perfect justice. Since, however, their use is growing in popularity, it is unfortunate that its real significance is many times overlooked. To the average investor the weakness of the so-called construction bond lies in the fact that the company proposing to borrow the money has not yet built its plant. A vague dread seems to be sensed that somehow calamities may occur in constructing that plant. As a matter of fact, the actual building of a plant, whether it be railroad, manufacturing or electric, frequently contains no serious unknown hazard. The process of equipping and operating the plant likewise is often well assured by the fact that the operation is to be undertaken and carried on by strong interests already in the same field, sometimes as a direct adjunct of the established operation. Therefore the main distinguishing feature that differentiates the construction property which offers considerable safety, from that of very doubtful value, is likely to be the probable ability of the proposed company to market its product or services in competition with other similar products or service. When a satisfactory answer to this question can be furnished, the so-called construction bond in many instances deserves well of the conservative investor.

Steam vs. Hydro

Much has been said and written about our waterfalls, but should never be forgotten that any hydro-electric development must stand on its own feet, that is it must be cheaper than electric energy, which is produced by steam. A considerable amount of misunderstanding occurs on this one point—many believe that because we have abundant water power it must, per se, produce cheap power. This is not necessarily the case.

Much has been said about harnessing our waterfalls. However, there has been little appreciation that someone must furnish the money for getting, maintaining and ultimately replacing the harness and hire labor for the continuous direction of the harnessed energy.

This uninformed attitude toward water power development is due to lack of correct information. Many people do not realize, that when the hydro-electric plant is erected, less than half of the cost of the combined generating, transmission, and distributing system has been incurred. Still fewer people realize that from 70 to 90 per cent. of the cost of delivering the current to the resident consumer is incurred after the power has left the generating station."

In other words, when you pay a power bill of say $1 this money is divided as approximately as follows:

Interest on upkeep of transmission lines	.75
Interest on and upkeep of hydro-electric plant	.25
	$1.00

So that the real cost of power lies not on so much in the development but of getting it to the consumer.

High Fixed Charges

Coming back again to the comparison of steam versus hydro electric power, there is one fundamental factor upon which the use of either is decided. It is costs. Between 85 and 90 per cent. of the operating costs of a hydro plant go to pay for fixed charges, and the remaining 10 or 15 per cent. goes in maintenance. With steam power, the situation is utterly different, for here the costs are split about 50-50 between maintenance and fixed charges. This is the reason why steam is so frequently used to take care of peak loads and. turned the other way about, why a hydro electric plant eats its head off if it has not a good demand for power.

In the recent history of all public utilities, the tramways story is the one blot on the picture, but now, there are many things gradually shaping up which indicate that the future has better things in store for these companies. A few years ago it was hard to sell any securities in a company belonging to this group. Now the situation is different and the public are more and more coming to realize that the future looks brighter. There are many reasons for this changed attitude. In the past ten years the tramways throughout the country have been struggling against rising costs with no corresponding increase in fares, coupled with jitney competition and a falling off in the number of passengers carried due to the increase in motors and buses. On top of all this, the past years have seen much friction between companies and municipal authorities. Light though, has begun to shine through the clouds—operating costs are showing signs of moving downward; the public has at last realized that jitney competition can be unfair; customer ownership campaigns have made for a better understanding between the public and the companies, and civic authorities have at last learnt that utilities are more or less constantly in need of new capital for extensions, and that unless the companies are prosperous these new additions to property can not be financed—all of which tends to less efficient service to the community. Again, the Public Service Commissions, which function in certain provinces, are composed of men with ability, whose business it is to see that the companies obtain a fair deal. The work of these commissions has proven satisfactory to the public and to the companies.

Looking at the whole utility field in a broad way, the future of its securities looks bright.

What Water-Power Means to Canada

Its Cheapness, Not High Revenue From It, Makes It Very Important

THE real value of water power development to Canada is not readily seen or realized from published statistics.

For instance, the relative values of production are shown from time to time in the following form:

Agriculture	$1,403,679,000
Forestry	265,000,000
Fishing	60,000,000
Mining	213,681,000
Hydro develop.	90,000,000

Hydro development, however, cannot be legitimately compared with other basic industries in this manner—to do so does not give a correct view of the relative importance for the following reason:

In agriculture, the higher the value of the product the greater the profit to the farmer, the greater his purchasing power, the greater the value of exports and the greater the general benefit to the Dominion; similar remarks apply to the value of product of forestry, fishing and mining.

Hydro-electric production, however, comes into an entirely different category, because its value lies not in a high selling price but in its cheap-

(Continued on page 33)

Over-Production of Power Will Not Occur in Canada

Record of Past Shows That if Once Produced Power Will be Sold — Per Capita Consumption Increasing

THERE are some who, on reading the tremendous power developments that have marked the past ten years of Canada's development, are inclined to ask whether further hydro-electric developments will not place electricity in exactly the same position in which some other industries are now, that is, over produced. The question is reasonable, but what are the facts?

In the past, when developments have been under way, there have been those who have asked "who will buy it?" But it has been found that industry will follow power as long as it is developed. Power does not seem to follow industry; it is the other way about. As an example of this: take the case of the Shawinigan Water & Power Company, which is but typical of many other companies. This corporation's policy has been one of always having power available for industries, and through pursuing this policy for many years, has built itself up to the magnificent position in which it now stands. Had the Shawinigan Water and Power Company waited until there was a demand for power it is probable that they would still be waiting.

As another example of this, take the Hydro Electric plant on the Nipigon River. This plant was built by the Ontario Hydro-Electric Commissioners, and when the first turbine was installed, many wondered if the additional capacity could all be made use of. Now the Hydro Electric Commission have put in the order for their final installation in this plant, which will bring it up to ultimate capacity, and the time is not far distant when there will be a shortage of power in this neighborhood.

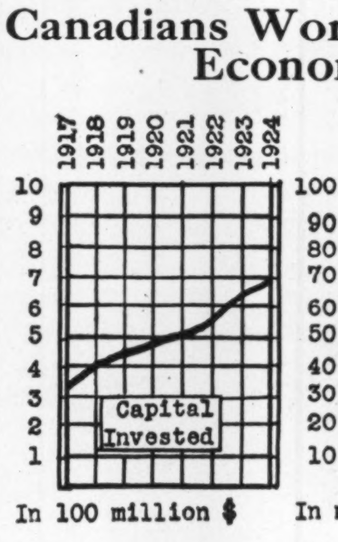
Demand Comes With Supply

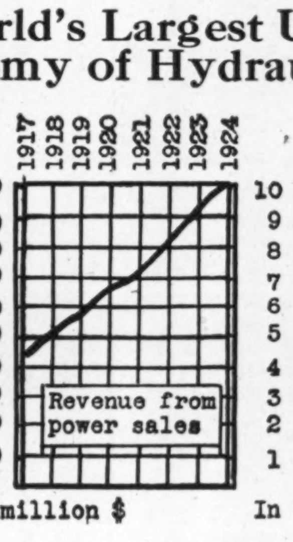
One other thing, if any investor wants to know the exact position of power, and the possibilities for over production he will have to look back over the record of companies which were recently incorporated and which within recent months have commenced delivering power from their plants. It is again the same story, always the demand seems to come as soon as power is actually developed.

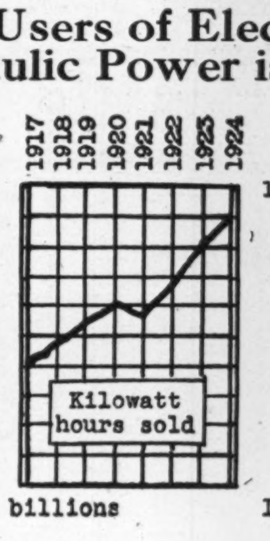
Often and often bonds have been issued on hydro electric enterprises on which construction had not commenced. These bonds sometimes carry a bonus of common stock. There are many of these shares selling to-day on the market at greatly enhanced prices, and the original buyer of the bond has made a remarkably good thing out of his investment.

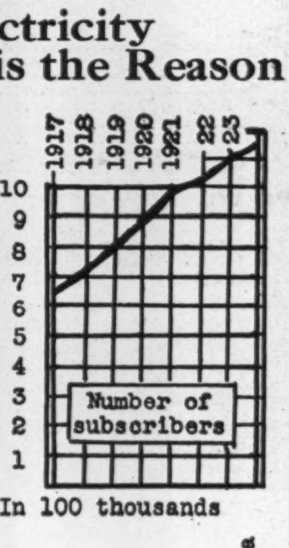
There are several other points which all indicate that wherever there is power, it will be utilized, and on a paying basis, too. The per capita consumption of electricity is steadily increasing in this country; industry is constantly adding to its electrical needs and with the invention of new equipment, no limit is in sight of the increasing per capita sales. Some years ago, it used only to be electric lighting; now we make our toast, cook, and in some instances curl our hair with current.

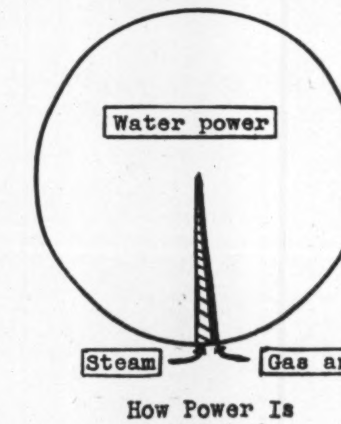
Canadians World's Largest Users of Electricity Economy of Hydraulic Power is the Reason



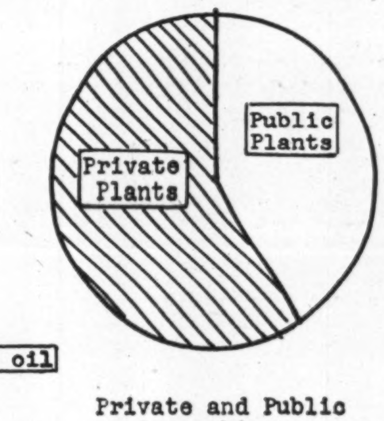




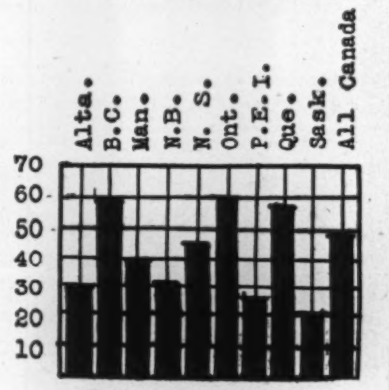




How Power Is Generated



Private and Public Ownership



Percentage of population served by electricity

THERE is a wider use made of electricity in Canada than in any other country in the world. The chief reason for this is that electricity is largely generated in Canada by water power and the cost therefore much lower than the cost of electricity generated by steam in England, United States and other countries.

Probably a larger proportion of Canada's electricity is generated from water power than in any other country in the world. This can be proven by resource to government statistics.

According to the last census of central electric stations in Canada there was a total of 2,423,845 h.p. of electrical energy being produced. Of the total no less than 2,282,547 h.p. was produced by water power. Steam engines produced only 37,116 h. p.; steam turbines 87,757 h.p.; gas and oil engines 16,415 h.p. This applies to power generated in central electric stations only. Central electric stations are those power plants which generate electrical energy, not for use in adjacent factories, but for sale to communities, to other plants, to homes, etc. They are the plants of the big power companies and public utility companies.

Few Smoke Stacks Here

Now, in the United States a larger proportion of the electric power produced in such plants is produced in plants consuming coal and it is a familiar sight in the United States to see large power plants in the midst of cities with a half dozen smoke stacks rearing themselves sky-ward and belching forth clouds of black smoke. This is not seen in Canada to any degree.

Of course, there are some factories in Canada which generate their power from coal but even when all the power generated in Canada is taken into consideration it is estimated that over 70 per cent. of the total motive energy of the country comes from water power.

It was pointed out that the electrical energy generated in water power in Canada is economical and low in cost. The average cost per kilowatt hour of electrical energy supplied in Canada during the year 1923 was only 2-3 of a cent. per k.w.h. at the power house. Including those stations which buy power for distribution and which do not generate their own power the average cost was only

(Continued on page 18)

Putting the Watt Before the Horse

What's all this talk of k.w.h.'s, h.p.'s and kilowatts—what's it about, and what does it all mean anyway? Well to start with k.w. means kilowatt and h.p. means horsepower. Both these terms are the definite units by which power is measured; but power measurement is always an instantaneous thing, that is to say, when mention is made of kilowatts or horsepower, it refers only to the amount of power flowing through the wires at a given instant. Consequently when a measure of the amount of power sold is required, the kilowatts are measured according to the number of hours they are used—hence the term kilowatt or more briefly k.w.h. Stating this another way, 100 kilowatts delivered continuously to the consumer for two hours is the equivalent of 200 k.w.h.

And speaking of kilowatts, they are the old familiar watts by which the power of a domestic lightng bulb is gauged—only they are multiplied by 1,000. One thousand watts equal one kilowatt.

Now on to horsepower. Power sold in small lots is usually charged for in kilowatt hours, but when sold in the larger quantities, it is usually sold by horsepower years, only the word years is usually omitted, for when one concern buys a large block of power, the amount supplied is usually constant, week in and week out, whether it is always used or not. In this way a cheaper rate is, of course, obtainable.

What's that? Oh yes. The relation of kilowatts to horsepower. One horsepower equals 746 watts, or "putting the watt before the horse," one kilowatt is approximately equal to 1 1/3 horsepower.

Bad Times Are Behind Trams; A Brighter Future is in Store

Public Are Beginning to Realize the Necessity of Allowing Electric Railways to Earn a Fair Return on Capital Invested — All Indications Point to Better Times for the Industry

THE credit of the traction companies during the past year has undoubtedly shown decided improvement. Investors are hesitant, but regard the stocks of the tramways companies somewhat better than a few years ago. Many observers feel that the tramway tide has definitely turned towards prosperity.

In 1923, the last year for which figures of tramway operations are available, the electric railroads of the country had a gross income of over $50,000,000. But various factors made it impossible for the systems to show good returns to the investor despite the fact that this gross amount was the largest ever earned in any one year. One reason was the increasing tax burden, another was the necessity of spending many millions on new equipment and extensions, while at the same time interest charges increased and the revenues, while better, were not up in the same proportion.

1923 Bad Year

On sixty-four electric railways in Canada at the close of 1923, only nine paid dividends. However, twenty Canadian roads are publicly owned. Of the sixty-four companies fifteen showed operating deficits, and, after paying all charges, forty showed corporate deficits.

According to the Dominion Bureau of Statistics annual report, one-man cars, which are operated by one man performing the duties of both conductor and motorman, are coming into quite common use. The passengers enter and leave by the door at the front of the car and thus the moterman does not require signals from a conductor to stop or start the car. Generally the fare is collected by the motorman when the passengers board the car. Over one-tenth of the 5,000 street cars in Canada are one-man cars.

Comparative figures of income and deductions of Canadian street railway systems are given for three years past:

	1921	1922	1923
Earnings and Income—			
Gross earn. from oper.	44,536,832	49,660,485	50,191,387
Oper. exp.	35,945,315	35,986,871	36,171,922
Net oper. rev.	8,591,516	13,673,513	14,019,464
Miscel. inc.	3,651,524	4,195,536	3,940,663
Total corporate inc.	12,243,041	17,869,149	17,960,128
Deductions from Income—			
Taxes	2,833,736	1,730,718	1.958,045
Interest—Funded debt	4,856,706	6,545,825	6,765,078
Interest—Floating debt	1,163,865	816,406	1,094,822
Other deductions	1,257,727	1,467.251	1,776,176
Total deductions	10,112,035	10,560,202	11,594,122
Total net income	2,131,006	7,308,947	6,366,005
Deductions from Net Income—			
Reserves, etc.	2,328,751	4,664,822	4,589,081
Dividends	2,279,889	2,554,567	2,322,561
Total	4,603,640	7,219,389	6,911,643
Deficit	2,472,634	*89,557	545.637

* Surplus.

Buses Compete

In operations of suburban lines, particularly around large urban centres, the motor bus has grown to be an important factor. This is particularly true around Toronto where the buses compete with Hydro radials. Recently a new tariff of license fees has been put into force by the Ontario Works Department. The contention is that the buses are using the provincial highways for gain and should pay adequate fees. The bus men claim that the tax levied is such that it will force them out of business. They claim that it is not an equitable tax inasmuch as it is not on the same basis for all bus lines, and contend that the buses in direct competition with Hydro Radials are being taxed so high and in such an arbitrary manner as to prevent them giving adequate service, and will result in their being forced out of business.

A Brighter Picture

Figures of past years are rather depressing, but turn to the other side of the tramways picture. The companies are really just recovering from the war. For many years costs kept mounting, due to many needless understandings between the companies and the civic authorities; fares were not increased correspondingly and something had to go. In many instances, this was maintenance and many roads were needed, the roads were financial straits which did not permit of large expenditures. The public have realized that the electric railways must earn a profit in order to give a good service and as evidence of this, public attitude with regard to jitneys is noticeable. In the city of Montreal jitney service has never been a competitor of the tramways because of the geography and the climate of the city—but in any event is to be doubted the jitneys would have been tolerated there due to the wise arrangement between the city and the company which provides service at cost.

It has been amply shown that street railway operation must remain a monopoly and the public is at last showing signs of recognizing this fact. Also it is becoming more generally recognized that the taxation of monopolies presents many advantages to the community as a whole, including that of being able to obtain more revenue for the city in which the tramways operate.

Commissions Are Able

The appointment of the Public Utility Commissions in various provinces has resulted in a fairer deal to the owner of the shares in public utility corporations also.

In Nova Scotia, this Commission has adopted a rate of 8 per cent. as the standard return to the owners on the value of the invested capital in utilities. Outside of the City of Ottawa, the Province of Ontario and the Prairie Provinces have adopted public ownership as the rule for tramways.

Increased fares have been awarded to the traction industry as a whole and operating expenses have ceased to mount and in some cases show indications of dropping off.

With regard to buses, their position in the transportation scheme on this continent seems to have become fairly well established. They usually serve as a feeder to tram lines rather than a competitor.

Of the total national wealth of Canada, $1 of every $100 is invested in electric railways. At the end of 1923 the capital invested in traction systems was $199,000,000 while today the total invested is estimated to be in excess of $220,000,000. As the national wealth has been placed at $22,000,000,000 the amount in traction companies would be in the neighborhood of 1 per cent. in the U. S. the amount invested in traction systems is about 2 per cent. of the total national wealth. This is but natural when this country has a so much more sparsely settled a population.

Canadians were quick to seize the opportunity of moving themselves by electrical means. It was in 1868 that the electric motor was discovered, but the practical application of the principale was not demonstrated until 1881. Just three years after, there was established in Toronto a short commercial line. This line was one of the first of its kind in the world.

Other Canadian cities were quick to follow. A line of about one and one-fifth miles was built in Windsor, Ont., in 1886; and a line of 7 miles was built in St. Catharines, Ont., in 1887. In 1891 the Ottawa Electric Ry. began operations with electric motive power. Montreal lines were electrified in 1892.

Development Continues

During the next decade development was rapid, and in 1901 the total mileage had grown to 675 miles. These lines during that year carried 120,900,000 passengers and 287,926 tons of freight. The gross earnings were $5,768,000 and the expenses $3,435,000. The capital investment at that time is not stated, but assuming the averages then prevailing it is estimated that the investment amounted to approximately $26,730,000 The data since 1901 covering the mileage of main line track and invested capital, consisting of outstanding stocks and bonds, are as follows;

Year	Mileage first main track	Mileage all track including switches, double track,etc.	Capital invested
1901	675	....	*$ 26,730,000
1906	814	....	* 32,500,000
1911	1,224	....	111,532,347
1916	1,674	....	154,895,584
1919	1,696	2,399	171,894,556
1920	1.699	2,427	170,826,404
1921	1,687	2,425	177,187,436
1922	1,724	2,493	188,258,974
1923	1,736	2,527	199,069,870

* Estimated.

Passengers Increase

There are those who, perhaps, feel that the day of the street railway is over; automobiles and other forms of transportation are supplanting it. Motor cars, it is true, take away the business from the trams, but on the other hand the number of passengers carried by the railways shows an increase. Also, in some of our larger cities, the downtown traffic has become so dense that often automobile owners prefer to reserve their cars for only longer trips and not for use in the down town city streets. Here is a comparison by years of the passengers carried with the number of automobile registrations:

Year	Automobile Passenger Car Registration	P.C. Incr.	Passengers carried by Electric Railways	P.C. Incr.
1917	5,101,000		14,506,000,000	
1918	6,604,000	18.8	14,243,000,000	*1.1
1919	7,539,000	24.3	14.915,000,000	4.7
1920	9,118,000	20.9	15,540,000,000	4.2
1921	9,345,000	2.5	14,574,000,000	*6.2
1922	10,863,400	16.2	15,337,000,000	5.2
1923	12.880,000	18.5	15,989,000,000	4.2

* Decrease.

Customer Owership System Makes Headway in Canada

Many Canadian public utility corporations have recently inaugurated the policy of selling stock to their consumers. Winnipeg Electric, Quebec Power, Canadian Western Natural Gas, Shawinigan Water and Power, Southern Power, are but some of the Canadian companies which have recently adopted this policy of having their customers own stock in the company.

The idea behind customer ownership is practically the same as naturalization. In other words, the customer becomes something more than a customer, he becomes a financial partner in the business. Through persuing this policy, the companies are taking a definite step toward better relations between the utility company and the public. At the same time, much new needed capital for the ever increasing demand for the power industry is met.

This policy has many advantages, for in subscribing for stock in a company, the customer becomes interested in its wellfare and this consequent greater distribution of the stock makes for a more wide-spread co-operative interest on the part of the public.

The public utility corporation which offers its stock securities to the small individual investor is almost immune from stock market speculation and manipulation because stock which is so widely distributed makes it almost impossible for a manipulator to persuade such a large number of stock owners to join with him in his stock jobbing operations. The small investor can rest reasonably assured of an honest market value for his stock after he has invested his money in it. More over, stock in utilities are not subject to the same severe ups and downs which apply to other industrial industries. The extent to which customer ownership of utilities has grown within the past ten years is a complete revelation to those who have not studied it. From 1914 to the beginning of 1924, 185 electric companies, according to the National Electric Lighting Association, sold over 5,000,000 shares of their stock to more than 650,000 stockholders through customer ownership campaigns. Most of these campaigns were put on by employees of the various companies. Public utility stocks are owned by several million people on this continent, there are over 2,000,000 shareholders in the electric light and power industries. In the year 1923 more than $250,000,000 of electric light and power securities were sold to 200,000 employees and customers.

In past years, it was bankers and financial men who invested in the utility stock—but now, the small investor has realized the safety of this form of security and has definitely taken his share of the offerings.

Some years ago, any local ward healer had but to introduce in a campaign speech the old hokum about the utility corporation holding the populace in the palm of its hand, and there were rounds of applause, but of recent years, due to the utility companies taking the public into their confidence and telling the man on the street its problems, there has grown up an entirely different attitude towards the utilities. The sensible publicity policy, which the utilities have pursued of late, has had force added to it by the sales of stock to the customers, who in this way, see that they, too, may profit from the earnings and that the utility companys are not close corporations whose immense earnings benefit only the wealthy and those "in on the ground floor.'

Canadians Are the World's Largest Users of Electricity

(Continued from page 1)

4-5 of a cent per k.w.h. The cost in each province of the power suplied from central electric stations in that year was as follows:

Average Net Revenue Per K.W.H.

	Cents
Canada	.83
Alberta	2.32
British Columbia	1.08
Manitoba	1.06
New Brunswick	3.58
Nova Scotia	4.98
Ontario	.72
Prince Edward Island	8.67
Quebec	.68
Saskatchewan	4.43
Yukon	.93

Large Electricity Users

It is not surprising that Canadians are the largest users of electricity of the world. Even on many Canadian farms electrical energy is used to a very large extent and in 1923 the amount of power generated and sold was scarcely under 1,000 kilowatt hours, per capita, which figure represents about twice per capita consumption of the United States. Over half of the people in Canada have the benefits of electrical energy. The cities, towns and villages served by electricity have 49 per cent. of the total population of the country and in addition there are many farm homes which have the benefits of electricity.

The wide distribution of the use of electrical energy in Canada can be shown in another way. According to Canada's census of 1921 there were in Canada 1,768,000 dwellings. In 1923 there were 943,576 private subscribers to service from the central electric stations in addition to 179,000 commercial consumers of electricity.

Canada has developed a very large amount of its power in generating stations built by public capital. Public ownership in electrical history in Canada accounts for approximately 40 per cent. of the total development as against 60 per cent. in privately owned plants.

Some further figures on the electric power industry in Canada are given below:

Principal Statistics, 1923

Capital invested	$581,472,583
Privately owned plants	$307,046,240
Publicly owned plants	$274,426,343
Revenue	$ 91,141,296
Customers	,1112,547
Domestic light	920,223
Commercial light	159,929
Power	32,395
Total power	2,423.845 h.p.
Privately owned stations	1,451,498 h.p.
Publicly owned stations	972,347 h.p.

Canadian Hydro-Electric and Public Utility Companies

THEIR securities are coming into greater favour every year. And rightly so. The market for their product or services must continue to expand with the ever-growing population and with the increase in the nation's industrial activity.

Such companies have long since proved their stability and earning power even in times of depression. It is our opinion that the securities of favourably located, well managed Public Utility and Hydro-Electric Companies offer a safe and profitable medium of investment.

We have taken part in the underwriting and distribution of securities issued by prominent Corporations in this field, such as:

Montreal Tramways
Manitoba Power
Quebec Power
Winnipeg Electric
St. Maurice Power
Duke-Price Power
United Securities Limited
Bell Telephone of Canada
Laurentide Power
Montreal Public Service

Enquiries invited

RENÉ-T. LECLERC
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MONTREAL
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QUEBEC
74, St. Peter Street

(Established 1901)

E181

SOUTHERN POWER CANADA
COMPANY LIMITED

A Company
"Owned by the Public it Serves"

¶ Operating in an area proven ideal for economical production.

¶ Bordered by the U.S.A. and the St. Lawrence.

¶ Offers its expert services to manufacturers contemplating new or extended factory facilities in

QUEBEC
the sane and stable and low taxed Province.

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MONTREAL

Laurentide Power

The Entire Output of the Plant is Taken Up by Only Two Customers With the Consequent Lowering of Operating Costs

Laurentide Power is an outgrowth of a power development built by the Laurentide Company in connection with their great paper mill at Grand Mere, Que. The separate power company was formed in 1915 and the Laurentide Company retained a substantial interest in it, but the very large excess of power not required by the Laurentide Company for its own purposes was sold en bloc to the Shawinigan Water & Power Company. As the latter company owns its own transmission lines, Laurentide was spared the expense of erecting and caring for a distribution system.

The Laurentide Company owns $7,200,000 of the stock of the Laurentide Power Company, leaving only $3,300,000 in the hands of the public.

The company has only two consumers, the Laurentide Company and Shawinigan, who take the whole output of power produced. This means, of course, that overhead charges, except dividends, can be maintained at a very low figure, and is probably another reason for the high price at which the stock sells.

Eight electrical units of 20,000 h.p. each are at present installed. An additional unit of 20,000 h.p. is provided for, bringing the total development, when completed, up to 180,000 h.p. This last addition can be made at comparatively small cost; in fact, the present development has a bonded debt per horsepower of only $53, and when further construction is effected to the maximum, this will be reduced to only $49.

All the power is sold under long term contracts—that these contracts have been operating to the advantage of the company is indicated by the successive increases in net earnings and the fact that the dividend rate has been raised to 5 per cent.

The company owns its power site outright and during the past year operating costs amounted to 16 per cent. of the gross income from power sales.

Capitalization—

	Authorized	Outstanding
	$10,500,000	$8,934,000

Funded Debt—

First, 30-yr. sinking fund gold 5%, due 1946	7,500,000	7,500,000
General mortgage 7%, due 1941 ..	1,500,000	1,434,000

Dividend Record—

Year		Year	
1919	3%	1922	4¾%
1920	4	1923	5
1921	4	1924	5

Officers and Directors—
J. E. Aldred, pres.; F. A. Sabbaton, vice-pres.; Julian Smith, Edwin Hanson, George Chahoon Jr., Howard Murray, B.E.E., C. R. Hosmer, A. A. Tilney, Capt. J. H. A. Acer, L. Armstrong, treas.; W. F. Robinson, sec.; F. E. McNally, assistant-sec.

Market Record—

Year	High	Low
1920	75	51
1921	76	53
1922	99	70
1923	101	93¾
1924	97½	88

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Revenue	$ 837,737	$1,033,176	$1,228,186	$1,333,643	$1,411,180	$1,478,087
Miscellaneous revenue ..	10,108	7,712	9,375	15,387	6,643	2,775
....	$ 847,845	$1,040,888	$1,237,561	$1,349,030	$1,417,823	$1,480,862
Expenses	176,769	174,095	200,541	199,367	247,538	242,585
Net earnings	$ 671,076	$ 866,793	$1,037,020	$1,149,663	$1,170,285	$1,238,277
Interest	375,000	375,000	425,735	474,400	474,857	475,380
Ex. on bond. int.........	12,125	59,538	40,544	4,457	8,394	3,993
Net profit	$ 283,951	$ 432,255	$ 570,741	$ 670,806	$ 687,034	$ 758,903
Previous surplus	162,420	19,806	3,343	12,632	69,238	10,474
	$ 446,371	$ 452,061	$ 574,084	$ 683,438	$ 756,272	$ 769,377
Trans. from cont. fund..	....	....	....	....	60,000	....
					$ 816,272	$ 769,377
Back taxes	....	....	....	....	127,458	......
					$ 688,814	$ 769,377
Loss on bonds	....	....	4,869	....	....	....
Sinking fund	....	....	85,000	89,200	89,340	89,340
Dividends	420,000	420,000	420,000	525,000	525,000	525,000
Insurance reserve	....	....	20,000	....	....	....
Income tax reserve	6,565	8,718	27,555	....	64,000	65,000
Contingent	....	20,000	....	....	....	60,000
Deprec. res.	....	....	....	....	....	......
Surplus	$ 19,806	$ 3,343	$ 16,660	$ 69,238	$ 10,474	$ 30,037
Rate % earned	2.70	3.84	5.12	6.39	4.72	....

Duluth-Superior

Company's Position Has Improved—Dividend Payment Will Come Under Review

The stock market for Duluth-Superior shares has well reflected the position of the company during the first four months of the year. Late last fall the stock started to move slightly from 17 and opened the year at 35. From February to the present it has been confined to the narrow range of 38 to 40. This consistent strength was justified by the better earnings which the company enjoyed during the first quarter which showed an increase of 9.2 per cent. while the 1924 report showed quite a decline compared with 1923. However, of late, there has been a falling off in receipts of a couple of per cent., and this is causing some worry. Pres. Robertson practically assured shareholders that common dividends would be resumed in July, and the meeting to decide this will be held probably next week.

There have been a number of important changes in the position of the company. One was the curtailment of jitney traffic in the city of Duluth. For a time serious inroads were made by these operators into the business of the company. An appeal, carried to the people of the city, was successful in having restrictions imposed. Another factor was having the valuation of the company's property made and the declaration that it was entitled to earn 7½ per cent. on this sum. This enabled the company to adopt a 6 cent minimum fare and this has been an important factor in the improved earning position.

The company has this year adopted a policy of employee-customer ownership and placed $500,000 of 7 per cent. preferred in this way and was thus able to reduce its funded debt by using these funds to retire a similar amount of bonds.

Capitalization—

	Authorized	Outstanding
Pref. 4% cum.	1,500,000	1,500,000

Funded Debt—

Bonds, Duluth Ry.... 5% first mortgage due 1930	2,500,000	2,500,000
Bonds, 5% general mortgage due 1930	2,500,000	969,000

Dividend Record—

Year	Pref.	Com.
1901 to 1908	4 ann.	.
1909	4	1
1910	4	4¼
1911	4	5
1912	4	5
1913	4	4¼
1914	4	4
1915	4	1
1916	4	.
1917	4	2
1918	4	3
1919	4	.
1920	4	.
1921	1	.
1922	5	.
1923	5	.
1924	3	.

Officers and Directors—
A. E. Ames, chairman; A. M. Robertson, president; E. Zacher, L. Mendenhall, Horace Lowry, F. H. Deacon, C. F. Salyards, C. R. Fridley, H. Warren, vice-president and general manager, S. L. Reichert, secretary-treasurer, E. Zacher.

Market Record—

	Common	
Year	High	Low
1912	80½	70
1913	74	55
1914	67	59¾
1915	..	..
1916	49	37
1917	51	40
1918	42	41
1919	32½	27⅞
1920	28	12
1921	26	12¾
1922	30	16
1923	44	28½
1924	38¼	19
1925 (to date)	42	35

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Net income	$ 104,768	$ 73,848	$ 28,587	$ 92,103	$ 123,110	$ 42,004
Other income	7,455	3,716	3,217	14,282	30,942	6,126
Balance forward	101,208	90,855	32,598	13,038	19,472	†654,702
	$ 213,431	$ 168,420	$ 64,402	$ 119,423	$ 173,524	$ 702,832
Dividends	60,000	60,000	15,000	75,000	125,000	45,000
Appro. res.	11,219	......	......	......	......	15,963
Dis. on bonds	3,300	3,200	3,100	4,300	800	......
Add. to property	17,728	12,469	......	......	......	198,958
Mis. debts	1,285	15,807	......	37	......	......
Val. expense	......	16,097	......	......	......	......
Taxes	......	......	4,714	......	3,216	......
Sinking fund	29,043	28,248	......	......	25,284	......
Surplus	90,855	32,598	13,038	19,471	19,224	160,045
Fun. debt ret.	......	......	......	......	......	282,866
	$ 213,431	$ 168,420	$ 64,402	$ 119,423	$ 173,524	$ 702,832
*Rate % earned on pref.	7.17	4.92	1.51	6.14	10	.. ..

* After depreciation.
† Corporate surplus.

DOMINION TELEGRAPH

The past year saw the refinancing plan of Dominion Telegraph carried into effect. For some years past the total income of the company has been from rentals for its lines which were leased to Western Union, and it sublet to the G.N.W., now the C.N.R., for a 99-year period, ending 1978. This just allowed for a 6 per cent. dividend, but when income taxes appeared, a problem was created as the 6 per cent. dividend could not be maintained. For the sum of $116,000 the company sold its lines for "future delivery" to the operators. A new company was formed and 5½ per cent. bonds issued to be exchanged for the outstanding stock, on a one for one basis were issued. The rentals will be more than sufficient to care for the interest while a certain portion of the money received from the sale of the lines has been invested along with surplus rentals, and by 1978, when the lease concludes and the purchasers will enter into ownership, there will be a sufficient fund to retire $1,000,000 worth of bonds. Another fund has been set up with the remaining funds, about $50,000, and each shareholder has received a certificate for each $1,000 worth of stock held. These are now being traded in around $5 but when the lease expires and distribution takes place they are expected to have a value around $93. One fact stands out in connection with the two funds, that is, the investment value of a small amount of money over a period of years.

Funded Debt—
Sinking fund mortgage bonds 5½%, series "A" and series "B", due 1978, ..$1,000,000

Officers and Directors—
Brig.-Gen. Sir Henry M. Pellatt, C.V.O., president; Commodore Aemilius Jarvis, vice-pres.; H. H. Macrae, sec.-treas.; J. C. Willever, E. Y. Gallaher, Maj.-Gen. Sir John M. Gibson, K.C.M.G., G. W. E. Atkins, F LeM. Grasett, M.B., F.R.C.S.

B.C. Electric

Quite a Program of Expansion Has Been Carried Out of Late

British Columbia Electric Railway, though well known in the field it serves as a utility is not well known to the investors of Canada. It is an organization financed by British investors and it has played a very important part in building up the coast cities of Vancouver, Victoria and New Westminster and other smaller centres. The company has been carrying out quite an extensive program of expansions and betterments. During 1924 debentures to the value of $3,500,000 were sold to finance these developments. One of the more importan of these is the cutting of a 3,561-ft. tunnel through a mountain to connect Slave and Alonette Lakes, as a part of its new power development scheme. Total expenditure on this work in 1924 was $3,117,000. During the year the company carried 60,000,000 passengers on its railways, lit 62,000 houses besides supplying power to most of the industries of the cities served. When the new construction is complete, the company will have doubled its power supply.

Capitalization—

	Authorized	Outstanding
Cumulative Perpetual Pref. 5%	£1,440,000	£1,440,000
Non-cum. pref. ordinary 5%	£1,440,000	£1,440,000
Deferred ordinary .	£1,440,000	£1,400,000
Shares £1 each	680,000	

Funded Debt—

Debentures 4½% 1st mortgage	£ 197,200
Debentures 4½% Van. Power	£ 101,300
Debenture stock, 4½%	£2,788,170
Perpetual Consolidated, Vancouver Power Subsidiary debenture 4¼% guar.	£1,500,000

Dividend Record—

Year	Cum. Perp. Pref.	Non-cum. Pref. Ord.
1918	5%	..
1919	5	5%
1920	5	£4 13 0
1921	5	£4 13 6
1922	5	£4 13 8
1923	5	£4 16 2

Deferred ordinary paid 3% and bonus of 3% 1919; £6 4s. in 1920; £6 4s. 2d. in 1921, £6 4s. 8d. in 1922 and £6 9s. 5d. in 1923.

Officers and Directors—
R. M. Horne-Payne, chairman; T. B. Brown, H. G. Brown, Sir E. Harvey, G. P. Norton, J. Davidson, Sir F. Barnard, George Kidd, president; W. G. Murrin, A. J. Goward, vice-president, Victoria.

Gross Earnings—

	1924	1925
January	$ 983,176	$1,039,316
February	912,335	963,086
March	918,366	978,963

Net Earnings—

	1924	1925
January	$ 316,790	$ 329,116
February	259,336	276,772
March	268,617	287,414

Profit and Loss—

	1921	1922	1923
Income	£622,903	£622,700	£599,221
Deprec., etc. ...	149,712	152,354	136,825
Interest	132,231	132,123	132,015
Dividends	204,197	211,355	267,394
Other deductions	51,914	61,113	45,923
Surplus	£ 84,849	£ 65,755	£ 43,336

Market Record—

	Def. Ord.		Pref. Ord.		Cum. Pref.	
	High	Low	High	Low	High	Low
1913	144½	111	125	102	109¾	98½
1914	125	104	111	100	107	98
1915	79	30	90½	25	89¾	50
1916	62	35	68½	34½	74½	50⅝
1917	40½	25	46⅞	28	64⅞	38
1918	48	24	52½	27¾	68	41
1919	54¾	31	56½	35⅞	66½	53¾
1920	60	40	62	45	65	51
1921	60	47½	58½	49⅛	61	53¼
1922	91	57	78½	53⅝	83½	59
1923	101	87	88	74	90½	75¾
1924	106	97½	89½	82	89½	82

CANADIAN WESTERN NATURAL GAS

Earnings last year of the Canadian Western Natural Gas, Light, Heat and Power Company were considerably in excess of 1923.

During the year the company made an offer of some of its preferred stock to its customers. The results from this customer ownership campaign were successful and 2,079 shares were disposed of to 629 customers. It is regarded that the success of this issue will have a beneficial effect on the relations of the company and the public and it is the intention of the directors to authorize a further sale of this preferred stock this year.

During the past year, the shareholders in the company authorized an issue of $1,000,000 preferred stock. It was shares of this issue which were sold to the public. Further issues of this stock will be made as new financing becomes necessary.

Capitalization—

	Authorized	Outstanding
Stock	$8,000,000	$8,000,000

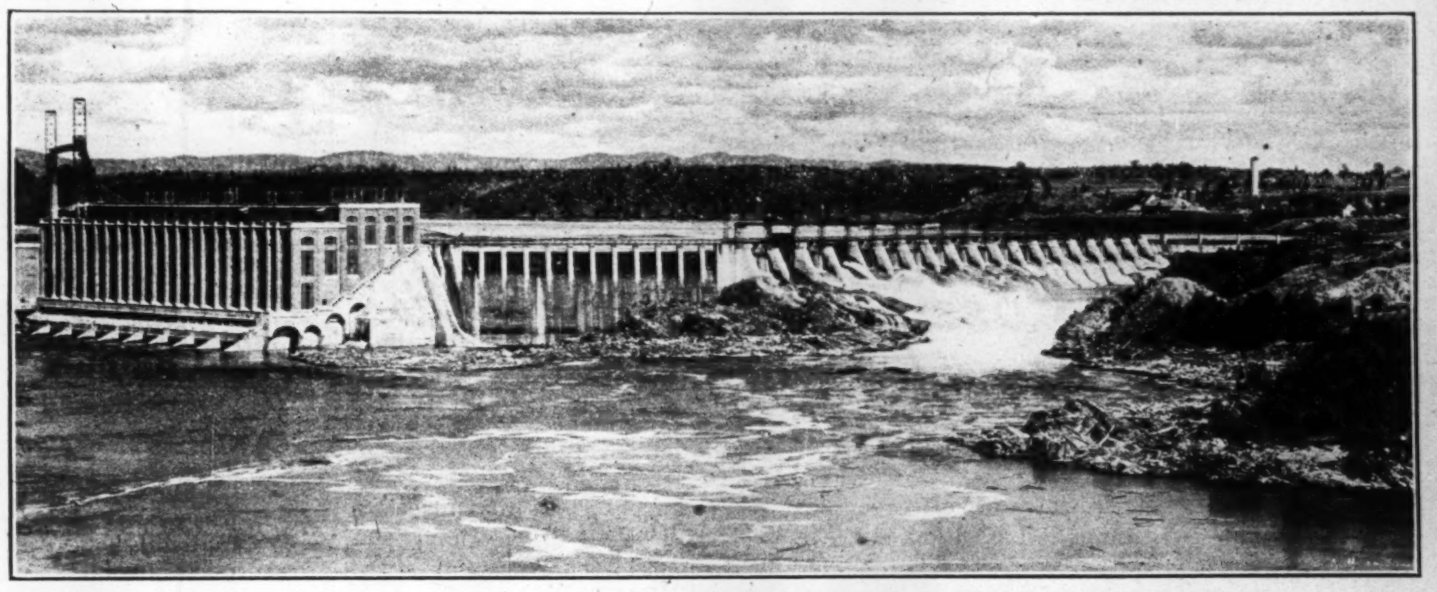
Funded Debt—
5% first mortgage debenture stock redeemable 1936 ....$2,064,070

Dividend Record—
Initial dividend of 1% paid Aug., 1914; 1% paid March, 1915; 1% Aug., 1915; 2% Nov., 1916; 2% Dec., 1917; 2% Dec., 1918; none since.

Officers and Directors—
H. B. Pearson, pres.; A. E. Cross, vice-pres.; Sir Clifford Sifton, J. W. Davidson, John Burns, Major J. W. Sifton, J. R. L. Starr, P. D. Mellon, H. S. Tims, H. S. Watts, sec.

Profit and Loss—

	1922	1923	1924
Sales of gas.	$ 891,566	$ 875,443	$ 918,597
Misc. earn...	38,974	24,896	33,137
	$ 930,540	$ 900,339	$ 951,734
Gas pur. ...	74,043	123,954	192,752
Expenses ...	377,997	418,352	327,895
Written off.	1,211	2,293	1,757
Interest . .	136,310	125,238	114,674
Depreciation	5,138	5,362	4,028
Reserve for depreciation	519,442	540,607	298,250
Balance	$ 183,601	$ 315,467	$ 12,377



Laurentide Power

Company Limited

OF THE many hydro-electric power companies, one of the most successful is the Laurentide Power Company, Limited, of Grand'Mere, Quebec.

Source of Power

The Company's power development is on the St. Maurice River — one of the large rivers of the continent. The natural flow of the river is augmented by extensive storage operations.

These storage reservoirs impound water from only 20% of the watershed, so that further storage possibilities promise increased amounts of water available for power supply.

Amount of Power

The present plant has machinery installed developing **165,000 horsepower.**

The present investment for dam and other structures will cover future requirements.

At a very moderate expense for additional machinery the output can be increased to **180,000 horsepower.**

Operating Conditions

The nature of the power site, the hydraulic conditions and construction render the development free from troubles due to high water, ice and the like.

The simplicity of the installation maintains freedom from service interruptions on account of machinery and apparatus trouble.

The Company is a generating company only and has no transmission lines nor corresponding expense.

Sale of Power

The Power Company disposes of 30 percent. of its contract power to its parent company — Laurentide Company, Limited.

All other power now on contract is taken by the Shawinigan Water and Power Company for transmission and distribution over its extensive system.

Surplus power, when and as available, has ready sale at satisfactory rates.

The power development is within easy transmission distance of all the important industrial centres of the Province of Quebec.

Financial

Throughout the entire period of operation, dating from 1915, the affairs of the Company have continued to be sound and progressive.

There has been no phenomenal growth and none is expected, but the nature of the enterprise, in both its physical and financial aspects, assures stability and profit for shareholders.

Some of the developments during the past year are:

There was an unusual amount of surplus power with substantially increased earnings;

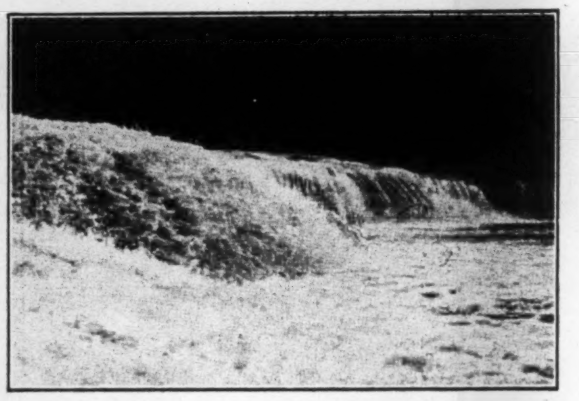
The bonded debt was modified to effect a permanent and material reduction in fixed charges;

The common stock of the Company has been listed on the Montreal Stock Exchange;

The financial statement for last year is the best recorded. Essential figures are shown below:

Gross Revenue	$1,480,862
After making provision for interest charges, water rentals, operation and maintenance, there remained a surplus of	758,903
Sinking Fund for Bond Redemption	89,340
Dividends	525,000

Abundant Reserves of Available Power



. Raw Power in Newfoundland

Come and Investigate The Marvelous Natural Resources That are Yet Offering at Favorable Terms

One of the Many Sources of Power

Power Makes Possible Substantial Developments

UP TO the present time Newfoundland has largely imported necessary manufactured products. The Dominion's attention has been focussed on her primary industry of fishing. It is only of recent years that she has come to appreciate the inestimable asset that she has in her water power resources. Throughout the Island there are many noble rivers and innumerable streams of lesser size that are still of considerable moment. Some of the waterfalls in Newfoundland and Labrador are hardly equalled in the world, and the enormous power reserve represented in Great Falls, while not yet definitely estimated, will equal or better that of Niagara.

Perhaps the most important feature of these various power resources is their availability. Many of the provinces of Canada that boast substantial water assets would have to admit that these, by reason of their inaccessibility, belong to the developments of a distant future. But the power resources of Newfoundland are located close to the seaboard, in the logical locations for industries or manufacturing. They are also peculiarly favorably situated to be of advantage to the pulp and paper and mining industries that are rapidly becoming a great factor in Newfoundland's prosperity.

The government of Newfoundland has adopted a progressive policy of encouraging the development of its natural assets, and as all land not privately owned is governmental property, it has been able to be very generous to new industries.

While Newfoundland is known to the world by her wealth of fisheries, she is rapidly becoming known also as one of the world's great sources of paper and pulp. Her iron mines are among the most notable in the world by reason of their occurrence at deep water, which makes for their economic development. The Dominion is rich in other minerals that have not as yet been largely developed, but the day is dawning when they will be of prime importance, the more so because contiguous to these locations will be found abundant sources of power.

Visit Newfoundland and Enjoy a delightful holiday and at the same time see The Great Opportunities that are offered to Men of Foresight

The Great Pulp and Paper Industry Enjoys Unusual Advantages

THE surprising development of the Pulp and Paper Industry in Newfoundland has been due to the happy conjunction of large areas of available wood, with ample power resources and unexcelled shipping facilities.

While of very recent growth, this industry has grown to very substantial proportions, and always with it has come the development of power to provide for its own needs.

The Anglo-Newfoundland Development Company Limited operates at Grand Falls one of the largest mills in the world for the manufacture of paper and pulp. Four thousand square miles of timber are controlled by this company.

At Bishop's Falls, Albert E. Reed and Company Limited operate a large mill and control 820 square miles of timber.

The Terra Nova Sulphite Company are operating a new plant that cost two and a half million at Alexander Bay.

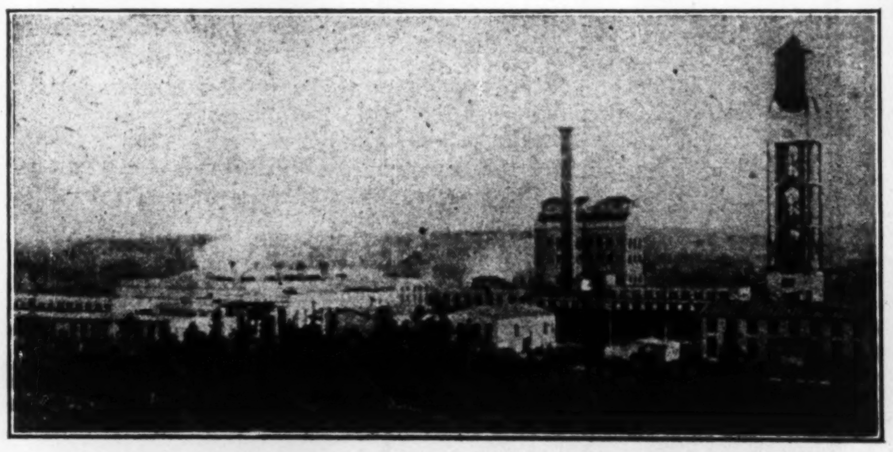
The newest of the larger developments is that of the Newfoundland Power and Paper Company, a great plant on the Humber Arm, that will cost, when completed, upwards of twenty-five million dollars. The Government of Newfoundland, in conjunction with the British Government, have guaranteed a considerable part of the bonds involved in this great undertaking.

All these, and other similar activities of lesser size, have been made possible by the readily available power facilities, and as yet these resources have been barely touched.

These magnificent streams and waterfalls that offer such generous assistance to human activities are well worthy of a visit. They abound on a coastline of unequalled grandeur. They are located in sections that offer every holiday advantage. To anyone who is ready to consider opportunities that offer large promises of return, they should offer an undeniable attraction. It will be worth your while to consider these great natural opportunities at first hand.

Crown Lands

All land that is not privately owned in Newfoundland is held by the Crown — that is, the Government — and is open for purchase. Applications for purchase of these lands should be made to the Crown Lands Office of the Department of Agriculture and Mines at St. John's.



One of the Great Paper Plants Made Possible by Ample Power

The Government of Newfoundland

WALTER MUNROE, Premier and Minister of Education.
WILLIAM HIGGINS, Minister of Justice.
JOHN BENNETT, Colonial Secretary.
SIR JOHN CROSBIE, Minister of Finance.
WILLIAM WOODFORD, Postmaster-General.
ALFRED MORINE, Leader of the Upper House.
MICHAEL SULLIVAN, RICHARD CRAMM, GORDON BRADLEY and JOSEPH LONG, Ministers Without Portfolio.

Ministers Outside the Cabinet

WILLIAM WALSH, Agriculture.
WILLIAM WINDSOR, Fisheries.
CHARLES RUSSELL, Public Works.

NEWFOUNDLAND

Government Offices: **St. John's, Newfoundland**

Winnipeg Electric

Company Seems to be Changing From Street Railway to Power Company, Latter Becoming Most Important End — Future Development Linked With the Advance of Province of Manitoba

An operating agreement is being worked out between the publicly-owned Winnipeg Hydro-Electric System and the Winnipeg Electric Company. Details of this plan have still to be settled, but its main provisions are that the Winnipeg Hydro Electric will withdraw from retailing energy outside the city; will purchase from the company all the power the latter now supplies to customers within the city; will purchase on an equitable basis, the company's distribution system within the city. On the other hand, the company will not retail energy within the city and will purchase the city's distributing equipment outside the city. This, it is thought, will place the company's power enterprise in a decidedly advantageous position.

A definite clean-up was seen in the last balance sheet. Nearly two millions have been transferred from surplus account in writing off dead assets. In addition, an increase of over half a million in the working capital is seen. As a result, the balance sheet presents a much improved appearance.

These improvements have been worked out despite the fact that the company has absorbed in operating expenses a considerable amount arising out of the company's obligations to its subsidiary, the Manitoba Power Company.

"Peg Electric" guaranteed both interest and principal of the bonds of the latter corporation, and for this reason the company had been forced to purchase power from this subsidiary in amounts for which the market has not yet been fully developed. Within recent months the consumption of power has taken an upward turn and practically all its power is now being sold.

Negotiations between the Civic Hydro, the city council, and the Winnipeg Street Railway Co., for friendly purchase of the tram lines in Winnipeg as well as a division of hydro interests are well under way. Of recent years the power side of the company's business has been coming to the fore and has been carrying the burden of profits. The street railway system has not proven particularly profitable. There are strong interests in Winnipeg Electric who would not be disappointed at all if the city of Winnipeg took over the tramway system when the franchise expires in 1927. In the meantime the city, too, are apparently anxious to acquire the road, so that both sides are now endeavoring to come to an agreement.

The company has a perpetual franchise for the operation of the street railway system in Winnipeg, but the franchise can be revoked at the end of any five year period, and the tramway system taken over by the city of Winnipeg at a price to be fixed by arbitration. If the city were to take over the tramway system, as has been suggested by a good many local politicians, Winnipeg Electric would immediately proceed to concentrate its activities in the light and power branch.

During the past year 27,000 h.p. of additional electrical supply business was arranged, which was supplied from the chief source of the company's power, the Manitoba Power Company, which was separately financed. This company has developed 56,000 h.p., which has not all been sold. When the remainder has been sold, the profits of the company will naturally be greatly augmented and this will be of distinct benefit to Winnipeg Electric. The sale of the additional power depends upon the industrial development and the community growth of Winnipeg and the vicinity. Manitoba Power Company could develop up to 180,000 h.p. at its present site and is thus assured of being able to meet the demands of the city of Winnipeg for power for many years to come.

The properties have been maintained in a high state of efficiency. The prospects at the moment seem very favorable. A substantial saving in operation costs has been experienced from the use of the new hydro electric power supply now available from Great Falls, which is much cheaper than steam generated power.

As more power is sold and as the street railway system becomes either more profitable or is sold entirely the company should substantially improve its position.

During the past year, due to unfavorable conditions, the gas sales of the company fell off about 8 per cent. For 1925 it is expected that the sales in this department of the company's activities will show a decided increase.

Capitalization—

	Authorized	Outstanding
Common	$11,000,000	$11,000,000
Pref. 7% cum.	3,000,000	3,000,000

Funded Debt—

5% refund. stock or bonds	$ 4,380,000
5% refund. mortgage bonds, Winnipeg Elec. Street Rly., due 1927	667,000
5% first refund. mortgage sinking fund gold, due 1935	4,333,000
6% refund. mortgage, due 1954	6,000,000
Total	$15,380,000

Dividend Record—

Preferred dividends are being paid quarterly.

Common dividends were paid at rate of 8% per annum up to Jan., 1908; increased to 10%, April, 1908; and to 12% from July, 1911, until first quarter of 1915, when 2½% was paid; this rate was maintained until fourth quarter of 1915, when 2% was paid (making 9½% for year 1915), dividend then passed until 1924, when 1% was paid.

Officers and Directors—

G. W. Allan, K.C., president; A. W. McLimont, vice-president and general manager; G. V. Hastings, Hugh Sutherland, Geo. F. Galt, R. J. Fleming, A. J. Mitchell, A. J. Nesbitt, W. J. Bulman, D. N. Finnie, W. R. Bawlf, J. S. Mackenzie, treasurer; F. M. Black, vice-pres. of finance.

Market Record—

	Common		Preferred	
	High	Low	High	Low
1912	269	210	—	—
1913	218¼	187	—	—
1914	205	180	—	—
1915	180	180	—	—
1916	110	90	—	—
1917	81	36	—	—
1918	48	48	—	—
1919	49	34¾	—	—
1920	42	26	—	—
1921	48	30	—	—
1922	46½	30¼	88	79½
1923	42¼	26½	87¼	80
1924	38½	24	87½	74
1925 to date	48½	35¼	98	88

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross earnings	$4,284,479	$5,233,700	$5.418,024	$5,395,223	$5,280,408	$5,128,324
Oper. expenses	3,019,495	3,428,897	3,559,380	3,526,715	3,465,893	3,379,497
Net revenue	$1,264,984	$1,804.803	$1,858,644	$1,868,508	$1,814,515	$1,748,827
Other income	58,639	76,700	161,406	121,854	127,705	139,186
Total income	$1,323,623	$1,881,503	$2,020,050	$1,990,362	$1,942,220	$1.888,013
Interest charges	696,490	716,215	633,331	643,028	663,480	700,463
Dis. on secs.	37,672	26,787	52,526	16.000	16,205	19,726
City percentage, etc.	146,395	181,249	183,070	175,036	168,193	159,597
Taxes	126,761	127,239	164,314	164,639	162,471	155,512
Misc. exp.	2,018	2,942	3,312	3.783	2,974	3,322
Other deduct.	16,432	30,496	54,532	52,500	58,497	29,033
Depreciation	201,050	201,050	201.050	201,050	201,050	201,050
	$1,226,818	$1,285,978	$1.292,135	$1,256,037	$1,272,870	$1,268,703
Net income	$ 96,805	$ 595,525	$ 727,915	$ 734,325	$ 669,350	$ 619,310
Pref. dividends	......	4,444	182,367	210,000	210,000	210,000
Com. dividends	......	......	......	......	......	110,000
Sinking fund	60,000	60,000	57,420	56.550	55,320	......
Depreciation	......	......	122,606	138,460	156,002	165,000
Written off	......	......	......	......	......	279,691
Surplus	$ 36,805	$ 531,081	$ 365,522	$ 329,315	$ 248,028	*$ 145,381
Previous balance	1,242,367	1,314,420	1,766,052	2,047,790	2,301,176	2,516,513
	$1,279,172	$1,845.501	$2,131,574	$2,377,105	$2549,204	$2,371,132
Rate earned on common	$0.41	$5.36	$3.72	$2.99	$2.25	——
Rate earned on preferred	....	....	18.26	17.97	15.27	——

* Deficit.

Manitoba Power

Has Bonds Guaranteed by the Winnipeg Electric, and Also Power Contract Which Ensures Payment

The output of the Manitoba Power Company is practically all sold. The company is a subsidiary of the Winnipeg Electric, and the latter company have both guaranteed the principal and interest on the bonds of Manitoba Power, and have also contracted for sufficient power to ensure that the net revenue received therefrom, is sufficient to meet interest requirements.

The company has constructed its hydro-electric plant for an ultimate capacity of 168,000 h.p. At present 56,000 h.p. has been installed and is being generated. Practically all this output is being utilized.

The contract entered into with the Winnipeg Electric Railway Company covers a period of 20 years. In addition, the company has power available for other purposes in its territory. The future for the company lies in the industrial development of the city of Winnipeg and the province of Manitoba. It would naturally seem that this development will be slow, and with regard to possible dividends, the future is yet uncertain.

Capitalization—

Authorized and issued 100,000 shares no par value. (Stated issued value under supplementary letters patent dated Nov. 15, 1921.$1,000,000) $1,551,881

Funded Debt—

First mortgage 7% sinking fund gold bonds, Series "A," redeemable Nov. 1, 1941 ....$7,500,000

Dividend Record—

None.

Officers and Directors—

Geo. W. Allan, K.C., president, A. W. McLimont, vice-pres., A. J. Nesbitt, A. J. Mitchell, W. R. Bawlf, W. J. Bulman, Julian C. Smith, S. L. Fuller, W. E. Blodgett, treas., L. Palk, sec.

Profit and Loss—

	1924
Gross earnings	$671,105
Operating expenses	102,627
Net Oper. Rev.	$ 568,478
Mis. Income	1,491
Gross Income	$ 569,969
Interest	533,492
Taxes	24,827
Net Income	$ 11,650

GATINEAU POWER

Is Completing Development on Its Properties on the Gatineau River

The Gatineau River Power Co., is the outgrowth of the Maniwaki Electric Co. which has been successfully operated for 20 years in the Gatineau River valley. When extensions now under construction are completed, the company will develop, in all, 2,500 horsepower.

The company own and operate a telephone system comprising 200 miles of line which connects the Gatineau district with Ottawa. It is expected that the present development programme will be completed within the next two months.

The district served by the company approximates 1,200 square miles and an exclusive 25 year franchise has been entered into with the municipalities in the district. In the past the district, with the exception of the town of Maniwaki, has been served with power generated at high cost through the use of gasoline engines.

Capitalization—

	Authorized	Outstanding
Common (No par value)	4,400 shs.	4,400 shs.
Preferred 7%	$ 150,000	$ 150,000

Funded Debt—

6½% first mortgage sinking fund gold bonds, due 1940	$1,000,000	$ 350,000

Jamaica Public Service Co.

Many Years of Successful Record Behind Securities of Jamaica Public Service Corporation

The Jamaica Public Service Co. operates the public utilities in and about the city of Kingston, which is the chief city on the island of Jamaica, a British colony and the largest trading centre in the British Indies. Kingston is not an industrial centre, but it has grown to a population of nearly 100,000, which is about the size of the Canadian cities of Hamilton and Ottawa. It is this population which is served by the Jamaica company. It operates a tramway system in the city and in an adjoining parish and operates also a light and power service in Kingston and the neighboring towns.

The properties consisted of steam electric generating plants, a hydro electric station, transmission line and a very extensive distribution system in addition to the tramway lines and their shops, waiting rooms, office buildings, etc.

The company had always given a good service locally, but in the course of time the spirit of initiative died down somewhat and public relations began to get less satisfactory. When the new group took over the properties, about two years ago, they proceeded to invest much new capital in needed expansions and to build for local goodwill. Experienced public utility operators were put in charge of the properties, a larger amount of information concerning operations was made available to the local newspapers and through them to the public; and even a customer ownership campaign was recently launched.

The improved facilities for rendering service have brought about a gradual betterment in the attitude of the public toward the company. During the past year a customer ownership campaign was put across, preferred shares being sold.

Comparative earnings since 1908 have been as follows:

	Gross Earnings	Net Earnings
1908	$217,410	$118,326
1909	236,065	113,885
1910	240,066	122,637
1911	263,108	122,014
1912	261,080	116,956
1913	284,841	128,584
1914	288,924	125.369
1915	274,317	123,540
1916	286,321	134,370
1917	287,210	120,112
1918	294,724	131,603
1919	383,664	154,767
1920	490,180	151,288
1921	536,866	185,376
1922	541,032	181,431
1923	not complete year	
1924	579,056	186.651

Capitalization—

	Authorized	Outstanding
7% cum. pref.	$ 750,000	$ 550,000
Common stock	750,000	750,000

Bonded Indebtedness—

Jamaica Public Service 1st 6's due 1943	$1,000,000	$1,000,000
Jamaica Light & Power 1st 5%	200,000	200,000

Officers and Directors—

Russell D. Bell, president; Harry H. Hunt; Abner Kingman, jr., vice-president; Daniel J. O'Donahoe; H. B. Sawyer, treas.; W. J. Crawford, sec.

Profit and Loss—

	*1923	1924
Gross earn.	$302,930	$579,055
Oper. expenses	196,024	368,539
	$106,906	$210,516
Taxes	14,624	23,865
Net earnings	$ 92,282	$186,651
Bond interest	37,910	76,998
Sundry interest	7,830	....
Pref. dividends	16,458	38,500
	$ 30,083	$ 71,153
Misc. credit	6,946	....
	$ 37,039	$ 71,153
Misc. debit	....	11,760
Retire. reserve	10,000	25,000
	$ 27,039	$ 34,393
Prev. balance	....	27 030
Balance	$ 27,039	$ 61,423

For purposes of comparison the following figures of the West India Electric Company, the predecessor of Jamaica Public Service, are given:

Income Account—

	Gross Rev.	Net Rev.	Earned on com.
1916	$286,321	$142,257	11.54%
1917	287,210	128,021	9.76%
1918	297,054	141,816	11.49%
1919	400,165	152,567	12.51%
1920	508,806	154,446	11.64%
1921	547,175	170,919	13.34%
1922	557,601	178,404	14.23%

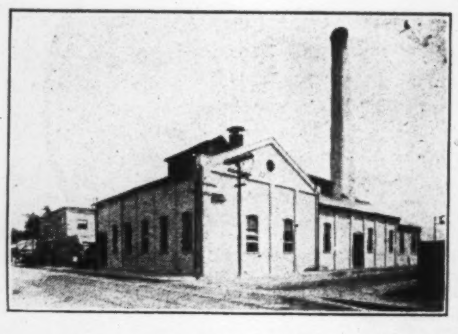
Ontario Added 132,000 H.P. To Water Power in 1924

A substantial increase amounting to some 132,000 h.p. was made during the year 1924 to the total water power installation in the province of Ontario. While the greater part of this was accounted for in the addition of units to existing stations there were also several entirely new developments. These activities embraced all parts of the province, the most important being in the territory served by the Hydro-Electric Power Commission, in the mining territory of Northern Ontario and in the extreme western part at Kenora.

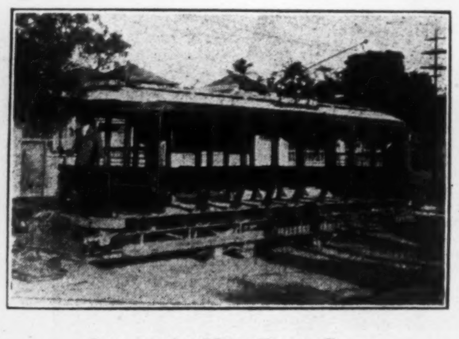
Serving the Utility Needs

of the largest trading center in the British West Indies

(Courtesy C.N.R.)
King's Street Scene—Kingston



Steam Generating Plant



One of the New Tram Cars

KINGSTON, JAMAICA — AND ENVIRONS

Kingston is the capital city and the largest trading center in the British West Indies. It is the gate-way to the Island and is a most picturesque and busy city.

JAMAICA PUBLIC SERVICE COMPANY

operates the tramway system in Kingston and St. Andrew. It also renders light and power service to Kingston, St. Andrew and St. Jago de la Vega, serving a population of over 100,000.

THE PROPERTY OF THE COMPANY

A steam generating plant of 1,340 Hp. installed capacity in Kingston and a hydro plant of 1,200 Hp. at Bog Walk on the Rio Cobre, about twenty miles from Kingston, supply the power for the city and tramway. The tramway department operates forty-three passenger cars over 26.6 miles of equivalent single track. The Company also owns modern car sheds, machine shops and office buildings.

1924 BUSINESS

Although general conditions were not favorable, the progress made during the first full calendar year of the new company's operations was satisfactory, gross and net earnings exceeding those of any year in the history of the predecessor company. Regular quarterly dividends were paid on the 7 per cent. preference shares.

STONE & WEBSTER EXECUTIVE MANAGEMENT

This Company is under the Executive Management of Stone & Webster, Inc., an organization with thirty-five years' experience in the management of public utilities.

Stability and Steady Growth Portrayed

THE stability and steady growth of this utility's business and net earnings may be seen in the following table:—

Year	Gross Earnings	Net Earnings
1908	$217,410	$118,326
1909	236,065	113,885
1910	240,066	122,637
1911	263,108	122,014
1912	261,080	116,956
1913	284,841	128,584
1914	288,924	125,369
1915	274,317	123,540
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1917	287,210	120,112
1918	294,724	131,603
1919	383,664	154,767
1920	490,180	151,288
1921	536,866	185,376
1922	541,032	181,431
1924	579,055	186,651

The property was acquired from the West India Electric Co. in 1923 by the Jamaica Public Service Co., Limited, and placed under the executive management of Stone & Webster, Inc., who manage over 60 utilities throughout North America and in the Tropics.

Capitalization

Bonds, First Mortgage & Divisional 5's	$1,200,000
7% cumulative preference stock	550,000
Common stock	750,000

CONDITION OF THE PROPERTY

The property is in excellent condition and is maintained in accordance with good practice, 11.4 per cent. of the gross earnings being spent for this purpose. A 600 Kw. generator and a 400 Hp. boiler were installed last year to care for the additional demand. Substantial additions and improvements to rolling stock, buildings and equipment were made and additional increase in capacity is contemplated for 1925.

1925 TRADE AND BUSINESS OUTLOOK

A gradual revival of the sugar industry during the next few years seems probable, although much depends upon the policy of the Imperial Government with respect to tariff preference on Colonial sugar. A reasonable preference is hoped for.

Heavy rains the last two months of the year brought relief and benefit to the agricultural industry, the prosperity of which means so much to Jamaica. With the prospect of good crops in 1925, business generally ought to improve and this condition should be reflected in the earnings of the Company.

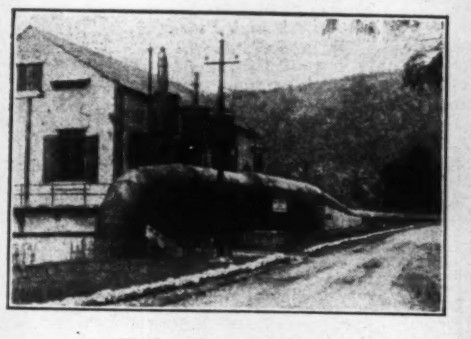
PUBLIC ATTITUDE TOWARD THE COMPANY

The improved facilities for rendering service have brought about a gradual betterment in the attitude of the public toward the Company. Persistent advertising of an educational character and the co-operation of employees to improve the service in all departments contributed greatly to the results achieved.

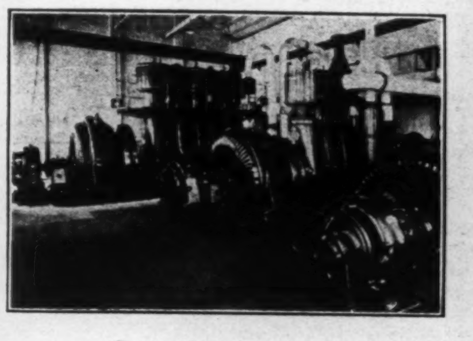
OWNERSHIP

410 of the 436 shareholders live in the Dominion of Canada. The remaining stock is held in the United States, England, Japan and Mexico.

Tramway Shed



Hydro-Electric Plant



Generating Apparatus

JAMAICA PUBLIC SERVICE CO.
LIMITED
Executive Management—STONE & WEBSTER, Inc.

Kaministiquia Power

Earnings Curtailed Through Severe Drought in 1924 — There is the Possibility That Company May be Included in Big Pulp and Paper Merger

The severest drought in its history curtailed the 1924 earnings of the Kaministiquia Power Company.

Incorporated in 1905 to develop Kakabeka Falls on the Kaministiquia River in Ontario, the company supplies power to Fort William under a perpetual franchise. About 5,000 h.p., along with all other available power of the company, has been sold on favorable terms to the Fort William Paper Company, in which the Kaministiquia Power Company has a substantial interest. This mill is to be enlarged and its power consumption should increase. In 1914 a fourth unit was installed by "Kam" furnishing 12,000 additional horsepower, bringing the total generating capacity up to 27,500 h.p.

Should the Spanish River-Abitibi-Fort William pulp and paper merger be consummated, there is reason to suppose that "Kam" power would be offered the opportunity of taking its place in the merger.

Capitalization—

Authorized	Outstanding
$2,500,000	$2,497,000

Funded Debt—

First gold 5% 30-yr. bonds, due 1937	2,000,000	1,864,000

Dividend Record—

Year		Year	
1910	2¼%	1917	7%
1911	3	1918	8
1912	4	1919	8
1913	5	1920	8+13½
1914	6	1921	8
1915	6	1922	8
1916	6½	1923	8
		1924	8

Officers and Directors—
Sir H. S. Holt, president, C. R. Hosmer, vice-president; W. A. Black, managing director; J. E. Aldred, F. H. Phippen, K.C., J. S. Norris, assistant secretary; W. L. Bird, secretary; N. M. Paterson.

Market Record—

	Common	
Year	High	Low
1912	128	100
1913	..	..
1914	121	121
1915	123	116¾
1916	130	113½
1917	130	120
1918	120	120
1919	110½	96½
1920	97	83½
1921	93	80
1922	100	80
1923	125	103
1924	113½	96
1925 to date	125	100

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross revenue	$442,387	$449,273	$455,627	$493,418	$662,930	$613,471
Oper. and maint.	88,809	112,578	117,162	111,783	152,785	264,399
Balance	$353,578	$336,695	$338,565	$381,635	$510,145	$349,072
*Depreciation	34,000	34,000	34,000	44,000	44,000	44,000
Net revenue	$319,578	$302,695	$304,565	$337,635	$466,145	$305,072
Fixed charges	96,125	96,062	95,258	103,987	99,169	94,426
Net inc.	$223,453	$206,633	$209,307	$233,647	$366,975	$210,646
Dividends	175,972	175,992	199,760	199,760	199,760	199,760
Balance	$ 47,481	$ 30,641	$ 9,547	$ 33,887	$167,215	$ 10,886
Cont. fund	......	......	......	......	125,000	......
Surplus	$ 47,481	$ 30,641	$ 9,547	$ 33,887	$ 42,215	$ 10,886
Rate % earned on stock	10.1	9.3	8.3	9.3	14.7	8.4

*In addition to $6,000 appropriated on monthly basis during year.

Mexican Trams

Situation Not Encouraging Owing to Stand New Government Has Taken

Mexican Tramways and subsidiaries, Mexican Light and Power, have not progressed much. The directors in their report to shareholders early in 1924 expressed a certain degree of optimism in regard the company's relations with the government and also as to the outlook for the political situation. At that time the general election was near at hand, and though the attempt to overthrow Obregon's Government had left the country in a serious financial position, it was felt that with the election out of the way a period of stable progress would set in. In a measure this has been fulfilled but the Tramway Co. has suffered if anything from the new government. In a serious tramways strike there was government interference which aggravated the situation and prolonged the strike. The tram lines have suffered in revenue from jitney competition but received no encouragement from the government in handling this situation, which has naturally resulted in the curtailment of expansions and betterments. Also the company has made no progress whatever in pressing its damage claims and collecting the other moneys due from the government. The amount actually due from the government is $1,714,495, while the Mexican Light and Power's claim has increased to $4,221,277. The directors say this latter account shows a most unsatisfactory increase.

Operations have been sufficiently profitable to enable the payment of current bond interest, but the Tramway has $3,663,814 accrued interest, and an additional $4,050,201, the latter only payable out of future surplus revenue, while the Light and Power Co. owes $4,135,892 and $1,413,103, payable also only out of future surplus revenue. There has been very little trading in Mexican shares this year. Light and Power Company has fluctuated between 22 and 26 while preferred has ranged from 57 to 61, less than 1,000 of the former and 1,800 of the latter changing hands.

Mexican Light and Power Company

Capitalization—

	Authorized	Outstanding
Common	$19,000,000	$13,585,000
Pref. cum. 7%	6,000,000	6,000,000

Funded Debt—

First gold sinking fund 5%, due 1940	12,000,000	11,340,500
Second mortgage 5% bonds due 1968	£2,000,000	9,733,333
6% cumulative income bonds	......	11,775,859
Companies controlled by the company:		
Mexican Electric Light, 5% first mortg. bonds due 1942		5,567,000
Pachuca Light & Power, 5% first mortg. bonds, due 1967		3,893,333
Alameda River Hydro Electric, 7% first mortgage bonds due 1923-25		1,087,500
Total bonds outstanding		$43,397,525

Dividend Record—
Dividends on preferred were regularly paid up to and including Dec., 1913; none since. On common 1% each paid July and Oct., 1908; 1½% Jan., 1909; 1% then quarterly to Dec., 1913; none since.

Officers and Directors—
R. C. Brown, president, Miller Lash, vice-pres., G. J. Clarkson, A. P. Holt, E. R. Peacock, chairman, H. M. Hubbard, vice-pres., G. R. G. Conway, E. R. Wood, Hon. Sir T. White, W. H. Fraser, gen. mgr., Mexico, R. H. Merry, sec.

Market Record—

	Common		Preferred	
Year	High	Low	High	Low
1918	20	16	..	..
1919	48	48	..	..
1920	..	..	..	..
1921	7	5	..	..
1922	17	7	35	31
1923	35	16	57½	53
1924	25	17½	60	38
1925 to date	26⅛	22	62¾	57

Profit and Loss—
Year ended Dec. 31, 1923—Consolidated net income, less exchange, amounted to $4,524,372, with investment income $38,715 and miscellaneous income $22,459, making the total $4,585,547. Expenses amounted to $95,933; interest on demand loan $95,396; interest on bonds $1,621,926, leaving a balance of $2,722,290 to meet capital expenditure.

Mexican Tramways Company

Capitalization—

	Authorized	Outstanding
Stock	$30,000,000	$20,177,000

Funded Debt—

5% general consol. 1st mortg. bonds due 1963	20,000,000	10,298,000
6% mortgage bonds due 1966	£ 3,150,000	$ 7,112,633

Dividend Record—
Dividends have been paid as follows: 1%, 1907; 4%, 1908; 6%, 1909; 6½%, 1910; 7%, 1911, 1912 and 1913; none since.

Officers and Directors—
R. C. Brown, pres.; H. M. Hubbard, vice-pres., G. J. Clarkson, Vicomte Gaston de Breteuil, G. R. G. Conway, E. R. Peacock, Miller Lash, Walter Gow, C. D. Magee, E. R. Wood, W. H. Fraser, gen. mgr., Mexico; R. H. Merry, sec.

Earnings and Expenses—

	Mexican Currency				
	1919	1920	1921	1922	1923
Earnings	$8,653,958	$10,900,914	$12,943,795	$12,795,228	$12,147,585
Misc. earn.	98,360	105,217	131,496	147,188	119,244
Total earn.	$8,752,318	$11,006,131	$13,075,291	$12,942,416	$12,266,829
Oper. exp.	3,789,851	5,434,556	5,986,229	6,371,671	*11,120,781
Depreciation	....	....	600,000	600,000	....
Net oper. income	$1,427,770	$1,653,592	$2,335,436	$2,097,917	$1,146,048

* Depreciation included.

West Kootenay Power

Has Low Bonded Indebtedness Per Horsepower

Originally financed by Charles R. Hosmer and a few of his associates, the West Kootenay Power and Light Company was some time ago taken over by the Consolidated Mining and Smelting Corporation and is now an active subsidiary of that highly successful mining corporation of British Columbia. West Kootenay develops and supplies power throughout Southern British Columbia. It supplies much energy to the various mines and smelters in that province and also supplies light and power to the fruit districts of the Okanagan Valley. The entire amount of common stock and most of the preferred is in the hands of "Smelters." The interest of the investment public in the corporation is through the bond issues.

With the completion of the Bonnington Falls project on the Kootenay River the company will be developing a total of 60,000 h.p. This will place this concern in the position of having a bonded debt of less than $52 per h.p. developed.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$3,212,000
Preferred 7%	500,000	500,000

Funded Debt—

First mortgage, 6% due 1940	$1,500,000	$1,113,493
General mortgage, sinking fund gold, 6%, due 1943		1,750,000
Cascade Water, Power & Light Co. bonds, 4½%, due 1940		203,000

Dividend Record—
Preferred dividends have been regularly paid. Dividends at the rate of 2½% per annum paid on common from Dec. 1903 to Sept., 1912; Dec., 1912 to Sept., 1913, 4% per annum; years 1914 to 1916 inclusive, 5% per annum; 1917, 7½%; 1918, 8%; 1919, 8%; 1920, 8%; 1921, 8%; 1922, Jan and April, 2% each, passed July, 1922, and since.

Officers and Directors—
C. R. Hosmer, president; L. A. Campbell, vice-president and general manager; J. J. Warren, managing director; W. R. Baker, C.V.O., G. F. Benson, E. Hanson, Hon. W. J. Shaughnessy, F. E. McNally, sec.-treas.

Profit and Loss—

	1922	1923	1924
Gross	$746,441	$690,574	$683,516
Interest	25,680	......	......
Expenses	194,267	221,839	241,619
Bond. in.	103,500	88,334	106,768
Other interest	9,599	......	......
Depreciation	287,047	284,264	232,655
Written off	1,440	30,514	199
Sinking fund	35,843	37,984	*69,378
Balance	$140,126	$ 37,637	$ 32,897
Dividends	163,480	35,000	35,000
Surplus	$ 23,355	$ 2,637	$ †2,103
Tax adjust.	......	......	2,170
	†$ 23,355	$ 2,637	$ 67
Prev. bal.	32,027	8,672	11,309
	$ 8,672	$ 11,309	$ 11,376

*Made up of $40,941 contribution to sinking fund and $28,437 as reserve for sinking fund series A.
†Deficit.

Ottawa and Hull and Ottawa River Power

Wholesalers of Power in and Around Ottawa and Hull—New Development Just Completed

The first financial statement of the Ottawa and Hull Power Company, which was given out last autumn, showed a very healthy and comfortable result for the first 13 months of operation. After paying all charges and dividends on the preferred stock, the sum of $34,901 was carried forward in the surplus account.

Incorporated for the purpose of acquiring the Ottawa and Hull Power and Manufacturing Company, and to provide the funds for further extensions, the company owns two hydroelectric plants situated on the Ottawa River at Chaudiere Falls, which lies between the city of Ottawa and the city of Hull, Quebec. One of these plants has an installed capacity of approximately 13,500 h.p. The second plant is equipped with three units of 9,000 h.p. each, making 27,000 h.p. from this plant and 40,000 h.p. installed capacity in the two plants.

Through stock ownership the company now controls the Ottawa River Power Company, which owns and has completed development on a water power site situated at Bryson, P. Q., with a present capacity of 25,000 h.p.

All of the power developed is sold in large blocks. Numerous industries in the Ottawa and Hull district purchase power from the company and there is a close working connection with the Ottawa Light, Heat and Power Company through the sale to that company of large amounts of power. The Ottawa and Hull Power Company has no domestic distribution system.

The company own and control hydro-electric plants with a present capacity of 40,000 h.p. and an ultimate capacity of over 100,000 h.p.

Among the corporations supplied with power are: City of Ottawa Hydro-Electric Commission; British American Nickel Corporation; Hull Electric Company; Canada Cement Company, Limited; Ottawa Electric Company; City of Hull and E. B. Eddy Company, Limited.

The controlling interest of the common stock in the Ottawa River Power Company is held by the Ottawa and Hull Power Company.

Construction of the plant of this company was completed at the first of the year and since that time the turbines have been turning out 25,000 h.p. of electrical energy. As the dam and substructure have been built for a total capacity of 75,000 h.p., it will be possible to instal, as the demand increases, an additional capacity of 50,000 h.p.

A contract for the sale of power has been entered into with the Ottawa and Hull Power Company. The net revenue from this contract is estimated at more than one and a half times the interest charges. In addition, the company has a contract with the Ottawa Electric, the E. B. Eddy Company and the Hull Electric. These contracts use up practically the entire output of the plant.

Ottawa and Hull

Capitalization—

	Authorized	Outstanding
Common (No par value)	25,000 shs.	25,000 shs.
Preferred 7%	$1,500,000	$1,500,000

Funded Debt—

6% first mortgage gold bonds, due 1948	2,500,000

Dividend Record—
Dividends paid on preferred regularly since organization.

Officers and Directors—
A. J. Nesbitt, pres.; E. R. Bremner, vice-pres.; J. A. Cameron, Sir H. K. Egan, J. B. Fraser, Dan. McLachlin, J. B. Woodyatt, K. S. Barnes, sec.-treas.

Profit and Loss—

	13 months ended Aug. 31 1924
Gross revenue	$372,141
Expenses and taxes	69,741
	$302,400
Interest	162,500
	$139,900
Dividends	105,000
Surplus	34,900
	$139,900

Ottawa River Power

Capitalization—

	Authorized	Outstanding
Stock	30,000 shs.	30,000 shs.

(No par value). The Ottawa & Hull Power Co. owns the majority of the stock.

Funded Debt—

First mortg. 6½% bonds due 1953	$15,000,000	$3,250,000

Officers and Directors—
A.J. Nesbitt, pres., D. McLachlin, vice-pres., Sir R. L. Borden, E. R. Bremner, W. H. Dwyer, J. B. Fraser, P. A. Thompson, J. B. Woodyatt, Hon. G. Bryson.

Ottawa-Montreal

Formed Last Year by the Consolidation of Two Successful Companies

The Ottawa-Montreal Power Co. is a consolidation of two power and light companies which have been in successful operation for a number of years in adjoining districts bordering on the St. Lawrence and Ottawa Rivers in which there is a growing demand for Hydro-electric power. The company was incorporated under Dominion charter to acquire the Hawkesbury Electric Light & Power Co., and the Western Quebec Power Co. The steadily growing demand necessitated extension of the properties, and this accounts for the consolidation. Much also can be gained through economies in operation.

The physical assets consist of five hydro electric plants aggregating over 11,000 h.p., complete with all accessories transmission lines and substations. All the plants are located in the Province of Quebec, two on the Rouge River and the third on the North River. The distribution system consists of about 90 miles of high tension lines. The company has a favorable long-term contract with the Montreal Light, Heat and Power Co.

The company now serves an area of approximately 850 square miles and a population of about 100,000. At the present time 40 municipalities are supplied with light and power under franchise which are in most cases exclusive. The district is a prosperous one and the demand for power is growing very rapidly as many communities are not at the present time adequately supplied.

Earnings of the combined companies at the end of 1923 were sufficient to meet bond interest, but it is intended to expand the new company, and estimated net earnings for 1925 were $125,000 as compared with bond interest of $81,250. The end of the first year of the company's operation is in June of this year.

Capitalization—

	Authorized	Outstanding
Common (No par value).	25,000 shs.	15,000 shs.
Cum. pref. 7%	$1,000,000	$ 225,000

Funded Debt—

First mortg. sinking fund, 6½% bonds due 1949	5,000,000	1,250,000

Gross earnings for year ended Dec. 31, 1923, amounted to $163,956; operating expenses, $81,793; net earnings, $82,163.

Ottawa Traction

Has a Proven Record of Successful Operation of Many Years' Standing

The Ottawa Traction Company is merely a holding company owning the majority interest in the stock of the Ottawa Electric Railway Company.

The Ottawa Electric Railway is the oldest street railway system in Canada. It was built by Messrs. Thomas Ahearn and Warren Y. Soper, before the street railway systems of Toronto, Hamilton, Montreal and all the larger Canadian cities. It is regarded as one of the best street railway properties on the continent and has given fair returns to its shareholders.

The relations between the company and the city of Ottawa are excellent. In various discussions with the city, the company has usually proved its case and has recently obtained a renewal of its franchise.

Capitalization—
Authorized—$10,000,000.
Outstanding—$5,581,500.

Funded Debt—
None.

Dividend Record—

Year		Year	
1914	4+1%	1920	4+1%
1915	4+1	1921	4+1
1916	4+1	1922	4+1
1917	4+1	1923	4+1
1918	4+1	1924	4+1
1919	4+1		

Officers and Directors—
T. Ahearn, president; T. F. Ahearn, E. N. Soper, T. Workman, Col. G. P. Murphy, C.M.G., J. F. Smellie, G. P. Henderson, K.C., Major F. D. Burpee, G. L. Snelling, sec.-treasurer.

Profit and Loss—

	1922	1923	1924
Income	$279,069	$279,075	$279,075
Dividends	279,069	279,075	279,075

Ottawa Electric Railway

Capitalization—
Authorized—$4,000,000.
Outstanding—$1,877,200.
(Ottawa Traction Co. owns 18,601 shares of the stock).

Dividend Record—
Dividends from 1893 to 1904, 8% per annum; in 1905, 10%; in 1906, 12%; including bonus of 4% in Dec.; 1907 to 1910 inclusive, 10% and 2% bonus each year; 1911, 10% and 5% bonus; 1912 to 1924, 12% and 3% bonus each year.

Officers and Directors—
T. Ahearn, president; G. L. Snelling, sec. and treas.; F. D. Burpee, manager; J. M. Ahearn, assistant manager; T. Workman, T. F. Ahearn, E. N. Soper, G. F. Henderson, K.C., Col. G. P Murphy, C.M.G.

Harnessing Canada's Power Resources with CONCRETE

MORE and more, is the importance of Concrete to water power developments gaining recognition. Its permanence, its ready adaptability to physical conditions at the site, its ease of handling without loss of time or unnecessary labor, have proved invaluable to power development engineers.

Indeed, power developments on the scale that we know them would be commercially impracticable without concrete. It has proved indispensable for dam construction and is being increasingly used for power houses and other plant structures.

Permanence, speed of construction (whether in summer or winter), reduced capital outlay and quicker returns are assured with this modern material.

Construction Costs Down

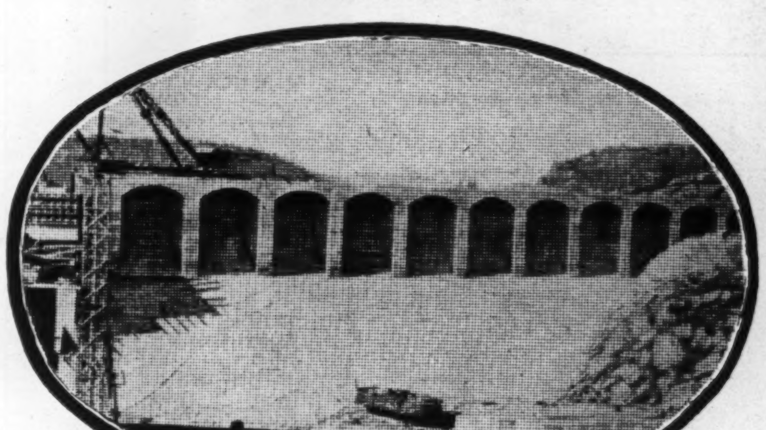
Cement continues low in price while Federal statistics show that building costs generally have declined to pre-war levels. Are you taking advantage of this favorable situation?

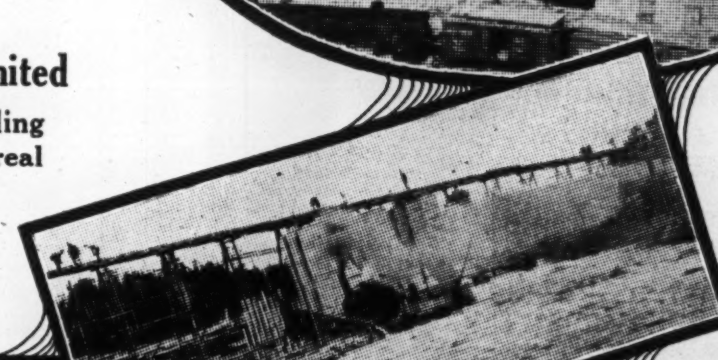
Canada Cement Company Limited
Canada Cement Company Building
Phillips Square Montreal

Sales Offices at
Montreal Winnipeg
Toronto Calgary

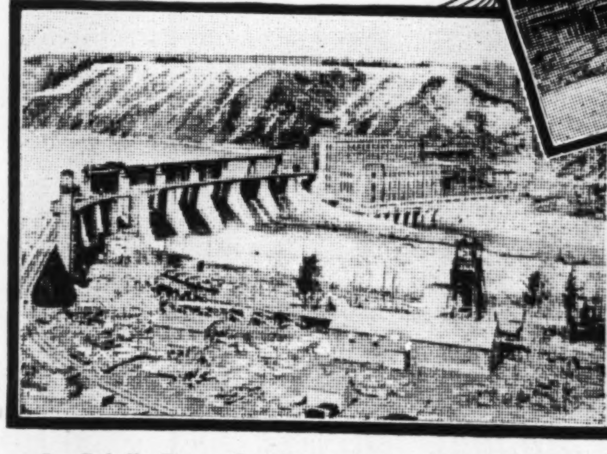
CANADA CEMENT CONCRETE FOR PERMANENCE

Isle Malignes Plant under construction for the Duke-Price Power Co. in the Lake St. John District, Quebec.

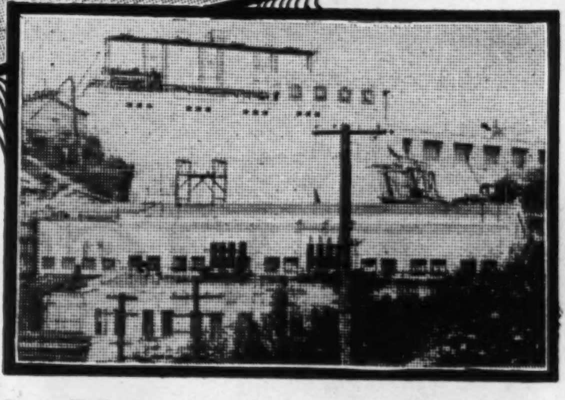




Main Dam at Ruth Falls, Sheet Harbor Power System, N.S.



La Gabelle Power Development, near Three Rivers, Quebec.



Stave Falls Power Development of the B. C. Electric Railway.

Montreal Power

Efforts to Discredit Stock Fail and Company Continues to Increase Earnings Year by Year — Has Shown Further Expansion

The outstanding event of the past year in connection with the Montreal Light, Heat and Power Consolidated was the increase in the dividend from 7 to 8 per cent., while at the same time the rates to the consumers were dropped a ½c. per k.w.h.

These concessions to both shareholders and consumers were, in part, made possible through increased revenues due to the control which the company now has of the Quebec-New England Hydro-Electric Corporation and to new business which has continued its upward trend, indicating clearly the continuous growth of the city of Montreal.

Despite many handicaps such as heavy taxation, high costs of material and labor, "Power" has more than maintained its strong position.

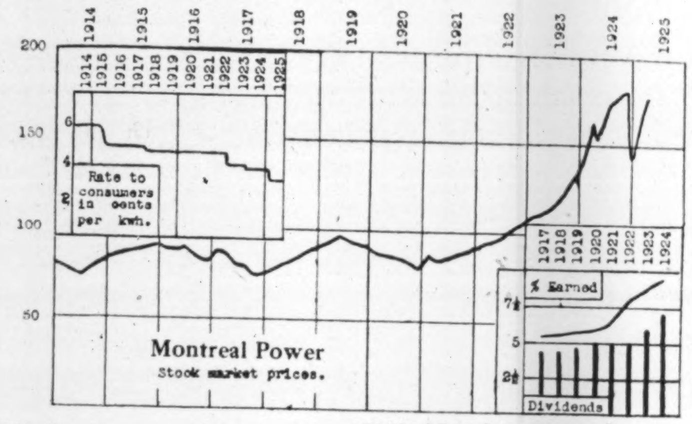
Among the additions to the company during the last year were, two final hydro-electric units added to the power house at Cedar Rapids, an additional output of gas of 8,000,000 cubic feet per day added to the Lasalle plant and 50 more miles added to the gas mains. The total cost of betterments during the year amounted to $3,251,666.

The acquisition of the business of the Quebec-New England Hydro-Electric Corporation will ultimately result in material benefit to the company, as this other corporation was the only competitor of Montreal Power within the city. Through the acquisition, many duplicate lines and substations were rendered unnecessary and many savings were made in operating costs.

During the year, an attack was made on the stock and its value dropped some 30 points overnight. The re-adjustment of prices to previous levels took but a few weeks, and it would seem that the stock is now in stronger hands. No doubt a company of this nature will always be subject to attacks by newspapers and by the civil authorities, but in so far as the investor is concerned, he can face the future with equanimity, for Montreal Power stock represents a large equity and great future possibilities, its record, too, shows that the property has always yielded earnings; in addition, it has always been well maintained.

Some have pointed to the possibilities of the company being taken over by the city, but on the other hand, procedure of this nature is rare in the province of Quebec, and the population favor private rather than public enterprise.

By the deal leading to the partial acquisition of the United Securities, and through this corporation to the control of all the utilities on the Island of Montreal, the Montreal Light, Heat and Power Consolidated has placed itself in an impregnable position.



Capitalization—

	Authorized	Outstanding
Capital stock	$75,000,000	$64,651,000

The original shareholders of the Montreal Light, Heat & Power Co. exchanged one share of the old for three shares of the new, and the shareholders of Cedar Rapids Mfg. & Power Co. were given the right to exchange share for share.

Funded Debt—

While Montreal Light, Heat & Power Consolidated has no outstanding bonds there are bonds of constituent companies as follows: Montreal Light, Heat & Power Co., that is the old company, first mortgage collateral trust 4½ per cent. bonds due 1st Jan., 1932, redeemable at 105 on any interest date; interest payable 1st Jan. and 1st July, $6 301,000; also Lachine sinking fund 5 per cent. bonds due 1st April, 1933, redeemable at 105, interest payable 1st April and 1st October, $2,882,000; also Cedar Rapids Mfg. & Power Co., first mortgage sinking fund 5 per cent. bonds due 1st January, 1953, redeemable at 105, interest payable 1st April and 1st October, $16,624,600.

Dividend Record—

Year		Year	
1916	1%	1921	5%
1917	4	1922	5
1918	4	1923	6
1919	4½	1924	7
1920	5		

Officers and Directors—

Sir Herbert S. Holt, J. S. Norris, J. E. Aldred, Sir H. Montagu Allan, C.V.O., George Caverhill, C. R. Hosmer, T. B. Macaulay, G. H. Montgomery, K.C., Hon. N. Perodeau, Hon. H. B. Rainville, R. M. Wilson, Sir Lomer Gouin, K.C., C. S. Bagg, sec.-treasurer.

Market Record—

Year	High	Low
1916	83¼	79
1917	83	68½
1918	88½	68½
1919	95	84½
1920	90	76
1921	89½	77½
1922	104¾	85
1923	143¼	103¾
1924	188	140⅛
1925 to date	189⅞	152

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross revenue	$10,939,273	$12,748,409	$13,289,965	$14,431,323	$16,140,960	$17,394,092
Exp. and taxes	5,357,493	6,810,287	6,549,933	6,504,718	7,113,960	7,984,493
Dep. and renew.	943,927	1,055,166	1,328,997	1,443,132	1,614,096	1,739,409
Net revenue	$4,637,853	$4,882,956	$5,411,035	$6,483,473	$7,412,904	$7,670,190
Fixed charges	1,032,671	1,078,450	1,188,293	1,214,785	1,211,654	1,209,778
Net income	$3,605,182	$3,804,506	$4,222,742	$5,268,688	$6,201,250	$6,460,412
Dividends paid	1,921,030	2,683,443	2,689,741	2,690,398	3,231,767	4,524,904
Dividends accrued	641,261	537,296	537,948	646,069	754,041	......
Surplus	$1,042,891	$ 583,767	$ 995,053	$1,932,221	$2,215,441	$1,935,508
Ap. for pensions	20,000	20,000	20,000	20,000	20,000	20,000
Insurance reserve	......	......	......	......	......	150,000
Trans to gen. surplus	*$1,022,891	*$ 563,767	*$ 975,053	*$1,912,221	*$2,915,442	$1,765,508
Rate % earned	5.60	5.87	6.51	8.12	9.59	....

*Subject to income tax.

Porto Rico

Company Working Into Strong Position

The position of Porto Rico Railway is much better to-day than is at first apparent on perusal of the recent annual reports. Great strides forward have been made in the power and light business and earnings have been materially increased in this department. The transportation end has been a disappointment owing to jitney competition which made inroads into receipts. However, negotiations have been launched in an effort to secure an exclusive transportation franchise and if this is successful it will mean a great deal to the future of this branch of the company's business.

Because of the improved position of the company and the prospect of better things for the railway end there has been a better demand for the securities, the common selling up to 42¾ recently, compared with a low of 17 in 1924, and 15 in 1923. In 1914 these shares sold up to 69.

Operating profits in 1924 when compared on the same basis as 1923 earnings were $544,514, 1923, $433,354 while at the same time very generous sums were set aside for depriciation, general and contingent reserve. The working position of the company is excellent. The company of late suspended its plan of issuing a monthly statement of earnings. This is said to have to do with the negotiations going on in regard the new railway franchise, and the curtailment of the jitneys. This same matter doubtless played a part in the ultra-conservative manner in which the last statement to shareholders was presented.

Capitalization—	Authorized	Outstanding
Common	$3,000,000	$3,000,000
Preferred 7%	1,000,000	1,000,000
Funded Debt—		
First mortgage, 5%, due 1936	3,000,000	2,271,500
Refund, general, mortgage, 5%, due 1962	£1,500,000	$1,289,666

Dividend Record—

Year	Pref.	Com.
1910	7%	.
1911	7	1%
1912	7	4
1913	7	4
1914	7	2
1915	7	.
1916	7	.
1917	7	.
1918	7	.
1919	7	.
1920	7	3
1921	7	4
1922	7	1
1923	7	.
1924	7	.

Officers and Directors—

W. D. Ross, president, L. M. Wood, vice-president, S. J. Moore, Hon. W. B. Ross, K.C., A. E. Ames, C. J. Holman, K.C., James Ryrie, V. M. Drury, Hon. Ramon Valdes, W. H. Chase, M. V. Domeneck, C.E., general manager, San Juan, P. R.; G. Brewer, comptroller, T. A. Spoor, secretary, Toronto.

Market Record—

	Common		Preferred	
	High	Low	High	Low
1912	84½	70	..	..
1913	72½	50	..	..
1914	71	45	102½	101
1915	46	46	..	..
1916	49	32½	95	90
1917	42	25	80	80
1918	29	25¼	..	..
1919	35	23	..	..
1920	50	28½	79	60
1921	46	35	81	64
1922	30	25	82	70
1923	30	15	81	67
1924	38	17	87	66
1925 to date	42¾	35¼	94¼	84

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Net earnings	$ 435,940	$ 563,070	$ 465,716	$ 516,839	$ 433,353	$ 404,388
Other income	23,603	54,484	42,877	13,905	13,967	16,484
	$ 459,543	$ 617,554	$ 508,593	$ 530,744	$ 447,320	$ 420,872
Interest	193,883	191,463	188,921	186,275	183,503	180,600
Pref. dividends	70,000	70,000	70,000	70,000	70,000	70,000
Com. dividends	......	90,000	120,000	......	......	......
Surplus	$ 195,660	$ 266,091	$ 129,672	$ 274,469	$ 193,816	$ 170,272
Balance forward	203,513	289,172	415,264	432,936	557,405	651,221
	$ 399,173	$ 555,263	$ 544,936	$ 707,405	$ 751,221	$ 821,493
Deprec. reserve	100,000	100,000	100,000	150,000	100,000	......
Tax reserve	10,000	20,000	......	......	......	27,000
Reserve	......	20,000	12,000	......	......	103,000
	$ 289,172	$ 415,264	$ 432,936	$ 557,405	$ 651,221	$ 691,494
*Rate % earned on com.	2.68	2.85	7.20	4.58	4.14	3.1

* After "Depreciation" but before charging off property account.

Twin City

Recent Valuation Award Has Helped — Higher Fares Expected

There has been little change in the market position of Twin City this year, the shares fluctuating within the narrow range of 62 to 65. Earnings since last fall have steadily improved but a most constructive factor has been the fixing of the valuation of the company's properties on which earnings are to be based. The commission which went into this matter put a value of $25,346,080 on the Minneapolis holding and $15,998,894 on St. Paul properties, a total of $41,344,929. The State Railway Commission will be called upon to decide what the company is entitled to earn on that valuation. It is suggested that this may be 7 or 7½ per cent. which would mean much to shareholders.

The company is now operating on a 6 cent fare, which it declares inadequate. Gross income in 1922 was $2,675,639 and in 1923 $2,669,137, before providing for interest charges or preferred dividends. If allowed to earn 7 per cent. on the new valuation it would get $2,893,640 or 7½ per cent. $3,100,360, and the charges to be met would be bond interest, $1,101,200 preferred dividends, $210,000, or $1,311,200. At present the common shares are on a 4 per cent. basis which requires $880,000 yearly. The optimistic outlook thus presented undoubtedly explains the consistent strength of the issue on the market.

It was suggested when the valuation was handed down that the two cities and company get together and come to an agreement as to the rate of fares to apply, but so far no announcement of any progress has been made, but one is expected very soon. Last September the stock was selling around 40.

Capitalization—

	Authorized	Outstanding
Common	$22,000,000	$22,000,000
Pref. 7% cum...	3,000,000	3,000,000
Funded Debt—		
Minneapolis St. Ry.		
Bonds, 7% .... Due 1925.	5,000,000	5,000,000
Bonds 6% ...... Due 1932.	224,000	224,000
Bonds 6% ...... Due 1934.	456,000	456,000
Bonds 5% ...... Due 1937.	3,708,000	3,708,000
Bonds 5% ...... Due 1928.	10,000,000	10,000,000
Total	$19,988,000	$19,388,000
Annual interest charges		$ 1,001,200

Dividend Record—

Preferred dividends have been regularly paid, quarterly, Jan. 1, since issuance. Dividends on common have been paid as follows: 1899, 2½%; 1900, 3%; 1901, 4%; 1902 to Aug. 1, 1909, 5%; Nov. 1, 1909, to and including Jan. 1, 1918, at rate of 6% per annum; the April 1, 1918, dividend, was reduced to 1%; July and Oct., 1918, dividends passed; 1% paid Jan. 2, 1919; Feb. 20, (for 1919), 2½%; Jan. 3, 1921 (for 1920) 3%; Feb. 10, 1922 (for 1921), 2%; July 1, 1922, (for 1922) 2%; Dec. 30, 1922 (for 1922) 2%; 1923, 6%; 1924, 4%.

Officers and Directors—

Horace Lowry, president; E. W. Decker, vice-president; T. Julian McGill, vice-pres.; A. M. Robertson, vice-pres. and secretary; E. A. Crosby, treas.; D. J. Strouse, compt.; Henry Doerr, E. Pennington, D. Goodrich, G. H. Partridge, C. Hayden, J. R. Mitchell, Frank Bergen, A. E. Ames, W. O. Washburn, R. Budd.

Market Record—

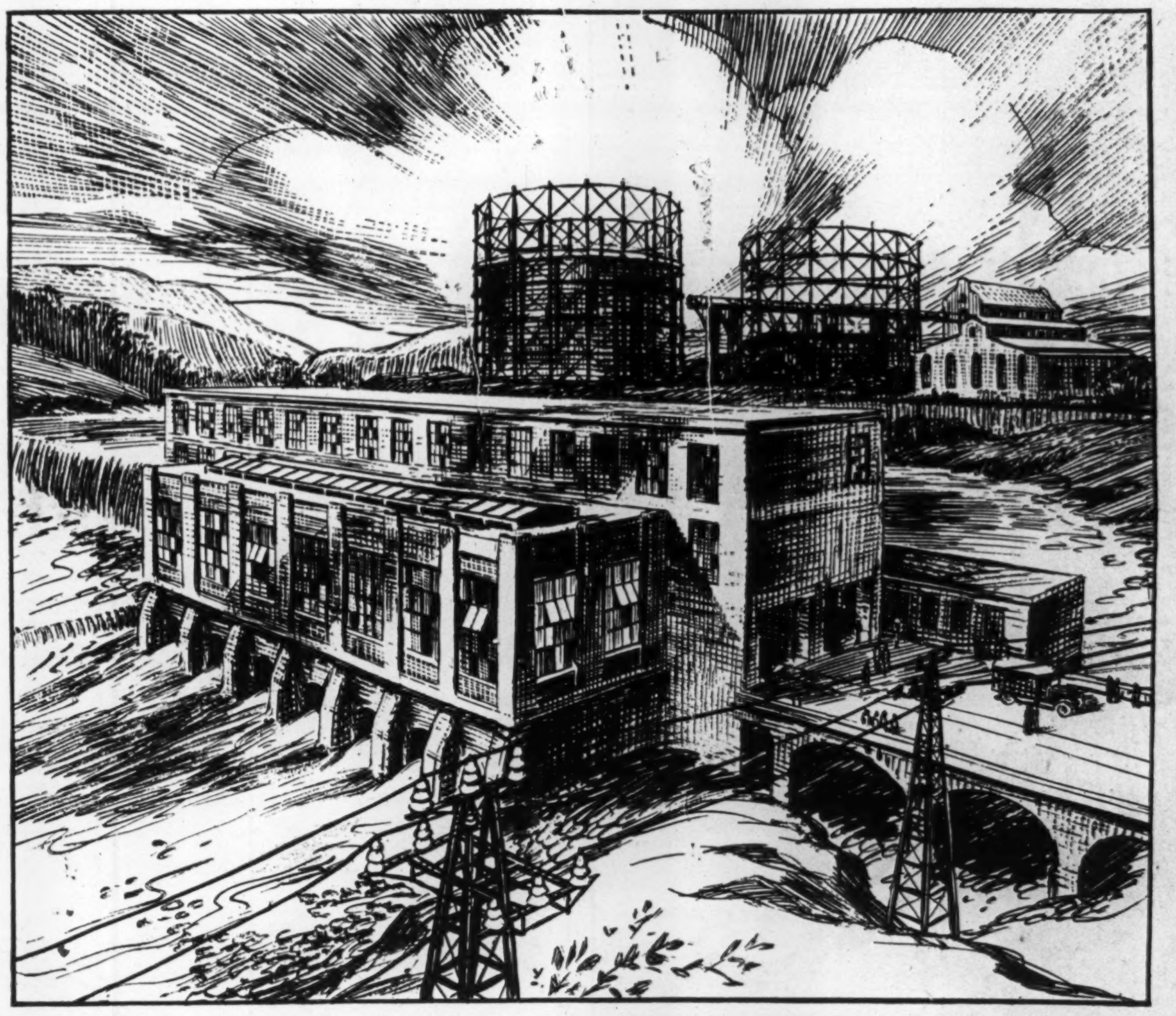
	Common		Preferred	
	High	Low	High	Low
1912	109¼	101½	..	..
1913	109½	101	..	..
1914	109	99¾	..	..
1915	101	93	..	..
1916	99½	93⅜	..	..
1917	95	62½	..	..
1918	65½	38¼	..	..
1919	58	33	80	80
1920	49	31½	..	..
1921	61½	34	76	74¾
1922	62¾	34½	89	73
1923	80¼	58	100	90
1924	69	40	99	82
1925 to date	67⅛	58	97	94½

	1919	1920	1921	1922	1923	1924
Gross revenue	$11,442,444	$12,986,406	$13,865,582	$13,772,647	$13,463,112	$12,704,569
Oper. exp.	8,445,059	9,794,834	10,990,535	9,914,324	9,537,841	9,185,927
Net oper. rev.	$2,997,385	$3,191,572	$2,875,046	$3,858,323	$3,925,271	$3,518,642
Taxes	1,126,338	1,161,506	1,139,637	1,251,925	1,373,069	1,265,982
Oper. income	$1,871,047	$2,030,065	$1,735,409	$2,606,398	$2,552,202	$2,252,660
Other income	51,034	84,332	55,733	69,242	116,935	101,061
	$1,922,081	$2,114,397	$1,791,142	$2,675,640	$2,669,137	$2,353,721
Int. rentals, etc.	1,133,729	1,115,298	1,093,837	1,110,438	1,099,069	1,084,712
Net income	$ 788,352	$ 999,099	$ 697,305	$1,565,201	$1,570,068	$1,269,009
Preferred dividends	210,000	210,000	210,000	210,000	210,000	210,000
Common dividends	550,000	660,000	440,000	880,000	1,320,000	880,000
Net adjustment	....	....	....	....	....	77,063
	$ 28,352	$ 129,099	$ 47,305	$ 475,201	$ 40,068	$ 101,946

300,000 H.P. Added In Canada During 1924

In the sphere of hydro-electric and water power development the year 1924 was one of pronounced activity throughout the Dominion. Not only was a substantial increase recorded in the total installation but many large projects were advanced to such a state that a further extensive increase will be effected during the year 1925. More than 300,000 h.p. was added during the year, bringing the total installation in the Dominion to a figure of 3,569,275 h.p., while with the installation nearing completion this figure will be increased by more than 600,000 h.p. during 1925.

Montreal Light, Heat & Power Consolidated



Electricity and Gas—Montreal

IN MODERN large cities the whole community life is based upon efficient operation of public utilities, and of greatest importance are those supplying light, heat and power.

Were it not for the cheap and reliable service, such as the MONTREAL LIGHT, HEAT and POWER CONSOLIDATED is furnishing to the metropolis of Canada, the present high state of progress in our industrial, commercial and domestic life could not have been attained.

The sources of our supply represent nearly half a million horse power of hydro-electric energy and twenty-six millions cubic feet of gas per day; our vast means of distribution are constantly being increased and improved.

Our policy is to aid the growth of Montreal and District by being always in a position to meet the increasing or unexpected demand for our services — the territory served by this company has never been handicapped by a shortage of light, heat or power.

Splendid transportation facilities by water, rail or road, plentiful labour supply, ample banking facilities, big consuming population and all the comforts of domestic life make Montreal the most desirable spot for new industrial and commercial enterprises.

Address enquiries concerning power supply, taxation, factory sites, etc., etc., in the Montreal Industrial Area to

Montreal Light, Heat and Power Consolidated
Power Building
MONTREAL

Power—

The Handmaid of Progress

IN Canada's water powers lies the promise of future commercial strength.

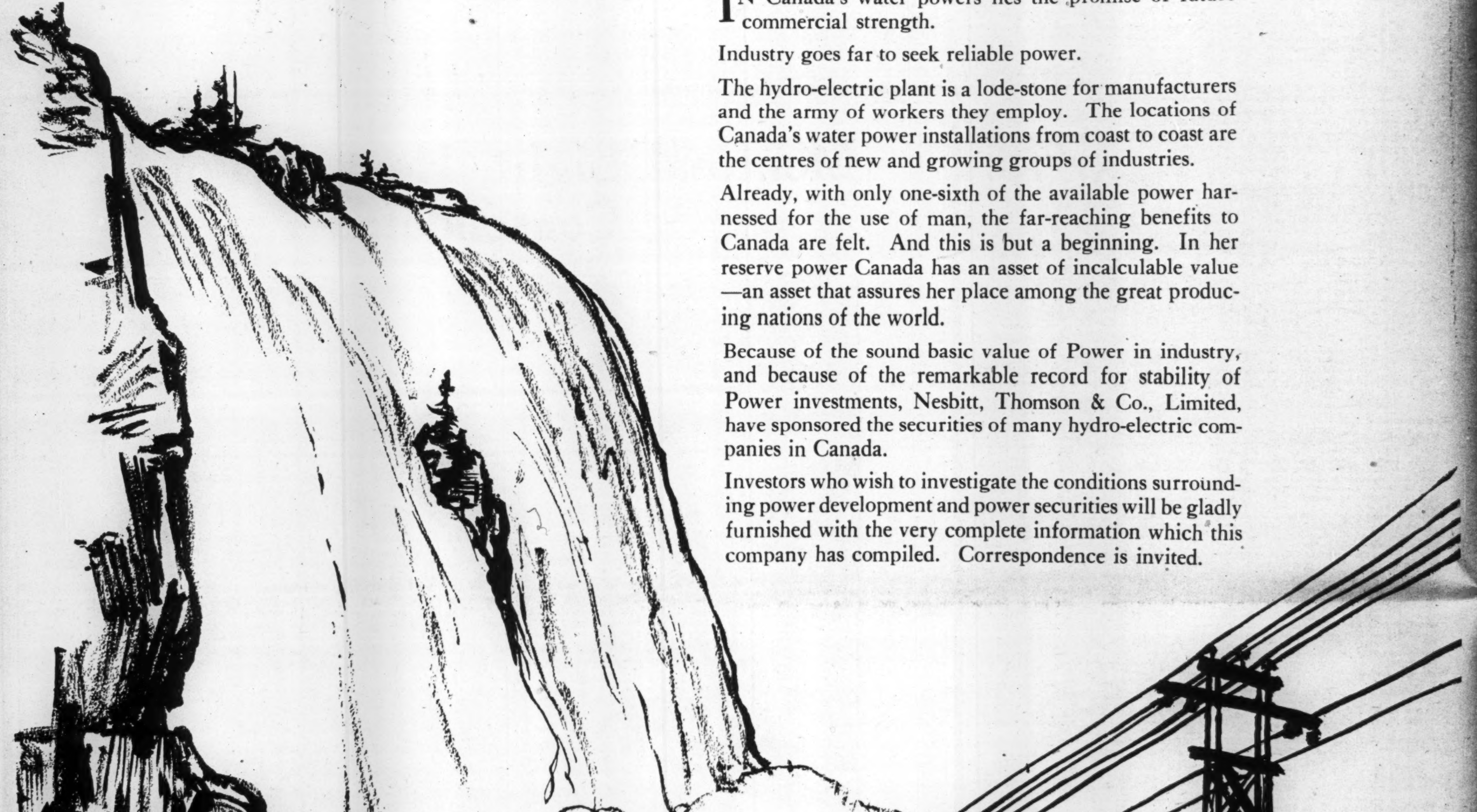
Industry goes far to seek reliable power.

The hydro-electric plant is a lode-stone for manufacturers and the army of workers they employ. The locations of Canada's water power installations from coast to coast are the centres of new and growing groups of industries.

Already, with only one-sixth of the available power harnessed for the use of man, the far-reaching benefits to Canada are felt. And this is but a beginning. In her reserve power Canada has an asset of incalculable value—an asset that assures her place among the great producing nations of the world.

Because of the sound basic value of Power in industry, and because of the remarkable record for stability of Power investments, Nesbitt, Thomson & Co., Limited, have sponsored the securities of many hydro-electric companies in Canada.

Investors who wish to investigate the conditions surrounding power development and power securities will be gladly furnished with the very complete information which this company has compiled. Correspondence is invited.



NESBITT, THOMSON & COMPANY, LIMITED

145 ST. JAMES STREET - - MONTREAL

HAMILTON TORONTO WINNIPEG LONDON, ONT.

The waterpowers that assure Canada's industrial future *afford* unusual opportunities to manufacturers and investors

TYPICAL of the success that attends the prudent development of hydro-electric properties has been the progress of the companies referred to on this page. These in every case have been financed either wholly or in part through the activities of Nesbitt, Thomson & Co., Limited. Combined, they would have a capacity equal to about one-tenth of Canada's total present hydro-electric developments.

These plants, located across the country, afford manufacturers an opportunity to secure reliable power at economical rates. Through high-power transmission lines they serve wide areas—which, consequently, are growing rapidly as industrial communities.

Manufacturers interested in securing factory locations should write to these companies, or full information can be obtained from the undersigned.

Southern Canada Power Company, Limited

THE water powers of this company, on the St. Francis River, are held under long-term leases from the Quebec Government. With the recent completion of the new plant at Hemmings Falls, and after additions to the original plant, now under way, the company will have a developed capacity of 56,000 h.p., in addition to 100,000 h.p. of undeveloped power held for future needs.

The territory served in that part of the Province of Quebec known as the Eastern Townships. This lies between the St. Lawrence River and the International Boundary and comprises an area of 3,000 square miles with a population of, approximately, 500,000.

It is a particularly desirable location for industrial plants. Ten railroads serve the sixty municipalities in the territory, bringing it within a few hours' journey of the city of Montreal or the New England States. Labor conditions are excellent.

These advantages have been responsible for the location, during the past few years, of over twenty new industries in the district.

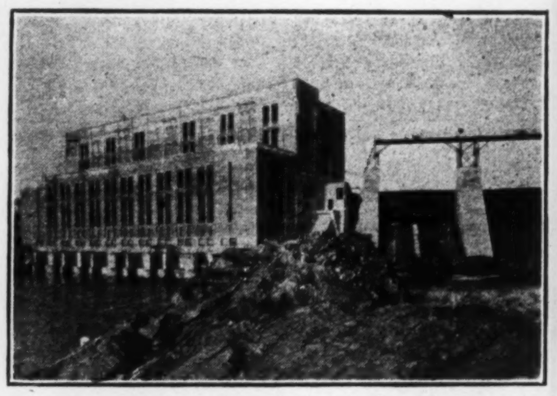
The Dominion Power & Transmission Company, Limited

THE plant of The Dominion Power & Transmission Company, Limited, is located at Decew Falls and develops 50,000 h.p. The company's right to draw water from the Welland Canal for the use of this plant runs until 1961. In addition it owns a steam auxiliary plant designed for a capacity of 80,000 h.p., of which 26,000 h.p. is installed.

The company supplies light and power to the cities of Hamilton, St. Catharines and Brantford, as well as several other municipalities. It operates street and interrurban railways in the city of Hamilton and surrounding towns and serves a population in excess of 300,000.

The territory served by this company is in the heart of industrial Canada. Almost every variety of manufacture is to be found within its boundaries.

Its advantages are outstanding. A stable labor market, a dependable power supply and particularly good transportation facilities are the factors that are making it one of the most important industrial centres in the Dominion.



Hemmings Falls Plant
Southern Canada Power Co., Limited

Ottawa River Power Co., Limited

East Kootenay Power Company, Limited

THE company serves the rich coal and zinc lead mining district of South-eastern British Columbia and South-western Alberta, and supplies power to the cities of Fernie and Cranbrook, B.C., as well as to all the coal mining companies in its territory, and to the Consolidated Mining and Smelting Company to operate the new concentrator at the Sullivan Mine.

Engineers advise that there are 22,000,000,000 tons of coal in the deposits in the company's territory. The average annual output, during the last five years, has been over 2,000,000 tons.

The services rendered by the company to the various coal mines is a striking example of the value of hydro-electric power. It would appear to the casual observer that a coal mine could produce steam power at its own mine head at minimum cost. Yet this company sells power to coal miners for their various purposes because hydro-electric power is more dependable than steam power and more economical.

Ottawa River Power Company, Limited

THIS company, a subsidiary of the Ottawa & Hull Power Company, which controls it through stock ownership, owns a water power at Bryson, P.Q., with an ultimate capacity of over 75,000 h.p. The initial installation in the recently completed plant, is 25,000 h.p.

The Ottawa and Hull territory served by this company, in which is included the capital of the Dominion, has a population exceeding 150,000, over 35,000 users of power and light, and more than 200 industries. Well served by railways, it is an old established centre of the forest products industry and, in the past few years, has developed quietly but rapidly along many lines of industrial activity.

Ottawa & Hull Power Company, Limited

THE properties of the Ottawa & Hull Power Co., Limited, comprise two hydro-electric plants situated on the Ottawa River at Chaudiere Falls. These water powers are held in fee simple and have a developed capacity of 40,000 h.p. Through stock ownership the company controls the Ottawa River Power Co., Limited.

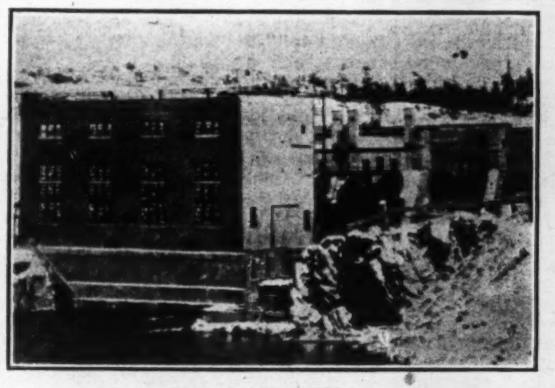
The territory served is exceptionally well situated for manufacturing purposes. In recent years many new industries have established themselves within this area.

The water powers owned by this company and by its subsidiary, the Ottawa River Power Company, are all located in the Province of Quebec.

Laurentian Power Company, Limited

THIS company owns a water power and hydro-electric plant on the Ste. Anne River at Seven Falls, about 35 miles from Quebec City. Power is developed under a head of 410 feet and ample storage is provided by dams constructed at Lac Brule and Savanne.

This plant has an installed capacity of 18,000 h.p.—three complete units of 6,000 h.p. each. A fourth turbine is installed and, when required, generators and transformers will be put in to develop the total capacity of the plant, 24,000 h.p. A large block of power is sold under long-term contract to the Quebec Railway, Light, Heat & Power Company for distribution in and around Quebec City.



Quinze River Plant
Canada Northern Power Co., Limited

The company's territory has special advantages for industry. It is the first port of call along the Trans-Atlantic route. Low-cost transportation to the centre of the country is provided by the St. Lawrence and the Great Lakes. All transcontinental lines connect it with the Maritimes and the West.

Ottawa-Montreal Power Company, Limited

THE Ottawa-Montreal Power Company owns in fee simple water powers on the North, Rouge and Blanche Rivers, tributaries of the Ottawa. Its plants have an installed capacity of 11,000 h.p. In addition to its own power supply, the company has a long-term contract with the Montreal Light, Heat & Power Company Consolidated to purchase power for further requirements, under very favorable terms.

Power and light are supplied to forty municipalities and towns in the district bordering on the St. Lawrence and the Ottawa Rivers, about thirty miles west of Montreal. Manufacturers in this territory are assured of a good supply of labor, and of efficient transportation facilities. It is served by three railway lines and for water shipments, access to the Great Lakes or the Lower St. Lawrence is available.

Wahnapitae Power Company, Limited

THIS power company, which has been in successful operation since 1905, controls under long-term leases from the Province of Ontario, three water powers located on the Wahnapitae River. The total capacity of the three developments is 13,200 h.p. Power is supplied to the Mond Nickel Company, the Town of Sudbury and the surrounding district.

This is one of the most prosperous mining districts in Canada. Sudbury, its centre, is the distributing point for both the mining and forest industries that surround it.

Canada Northern Power Corporation, Limited

THE Canada Northern Power Corporation, through its subsidiaries, owns or controls four hydro-electric plants situated in Northern Ontario and Quebec. Three of these, located on the Mattagami River in Ontario, have a combined capacity of 30,000 h.p., while the fourth on the Quinze River, Que., develops 20,000 h.p., bringing the company's total installed capacity to 50,000. The ultimate capacity of the company's plants is 90,000 h. p.

The company serves the rich mining districts of Northern Ontario and is also within easy transmission distance of the new Rouyn Field in Quebec, a territory which gives every promise of rapid development.

Hydro-electric power is of vital importance to economical mining, and the mines of Canada help develop industries in all parts of the country through purchases of huge quantities of supplies and opening up fresh areas for settlers.

Winnipeg Electric Company

THE Winnipeg Electric Company owns and operates an extensive light, power, railway and gas system service in Greater Winnipeg and surrounding territory, having a population estimated in excess of 282,000. It operates a modern 29,000 h.p. plant situated on the Winnipeg River at Pinawa, and a 12,000 h.p. auxiliary steam plant in Winnipeg. Besides this, its subsidiary, the Manitoba Power Co., Limited, develops 56,000 h.p.

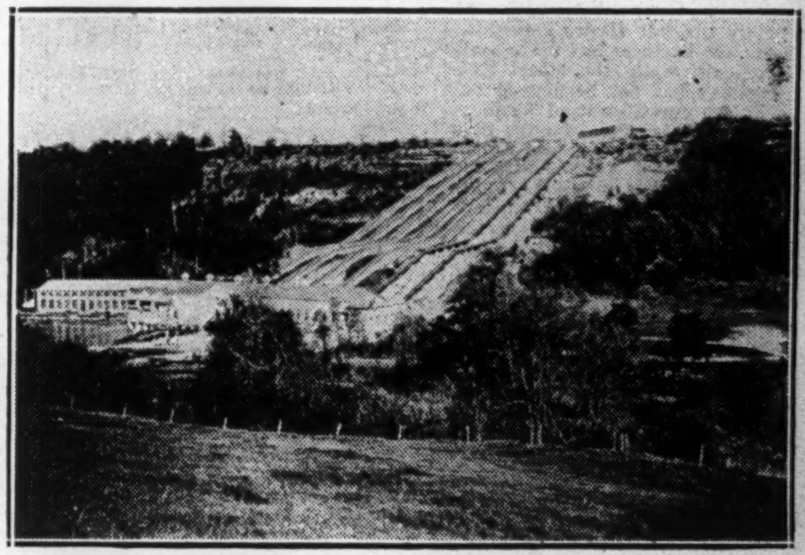
The location of Winnipeg in Canada parallels that of Chicago in the United States, both geographically and from the trade control point. Winnipeg is becoming an important manufacturing centre and it is the logical distributing point for Western Canada.

Great Falls Plant
Manitoba Power Co., Limited.

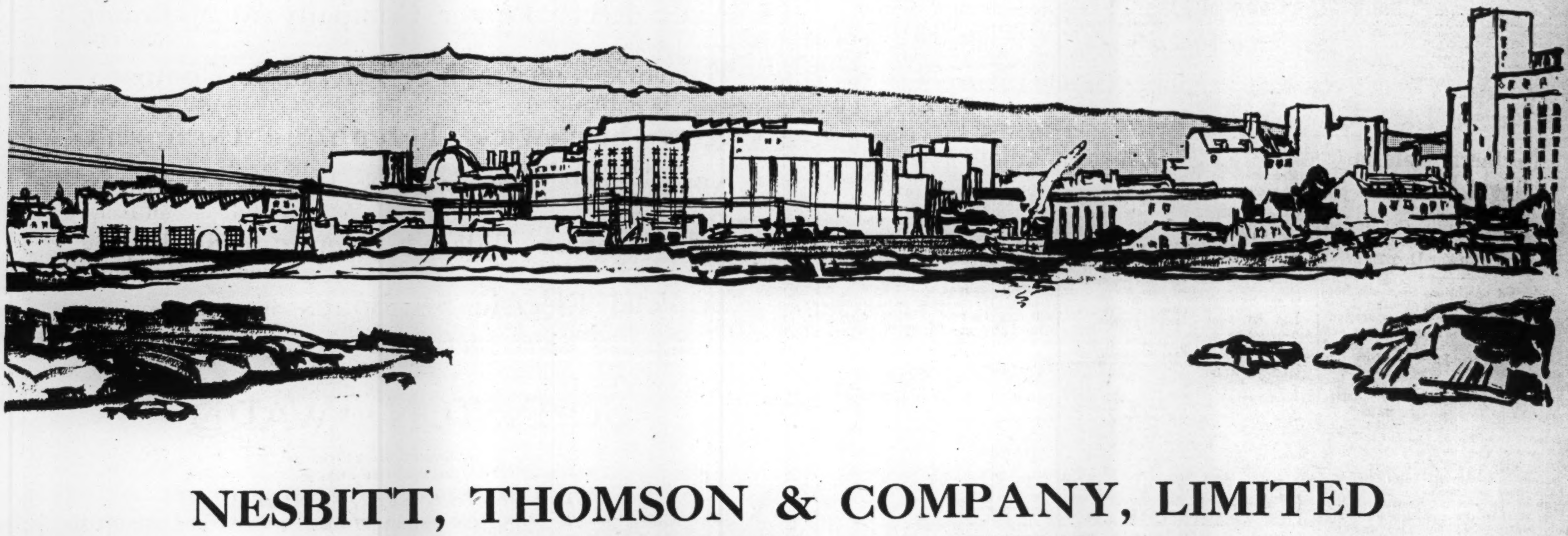
Manitoba Power Company, Limited

THIS company has at Great Falls, on the Winnipeg River, a site capable of developing 200,000 h.p., of which the initial installation produces 56,000 h.p. It is a subsidiary of the Winnipeg Electric Company with which it has a 20-year contract to purchase sufficient power to cover operating expenses, bond interest and sinking fund requirements.

Winnipeg is the key to the West. No other waterpower in the settled part of the Prairie Provinces is available nearer than Calgary. Dominating the power situation, strategically located from a transportation point of view, it undoubtedly has a great future in manufacturing before it.



Decew Falls Plant
Dominion Power & Transmission Co., Limited.



NESBITT, THOMSON & COMPANY, LIMITED

145 ST. JAMES STREET - - MONTREAL

HAMILTON TORONTO WINNIPEG LONDON, ONT.

Southern Canada Power

Securities Rapidly Getting Into the Seasoned Investment Class — The Company Has Many Customers and Employee Shareholders

The Southern Canada Power Company has led the way in customer and employee ownership. It has hundreds of shareholders among its customers and most of the employees own stock.

Securities of the Southern Canada Power Company are rapidly gaining a strong investment position as they become more seasoned.

The good showing of Southern Canada Power common stock since it was listed on the Monteal Stock Exchange demonstrates the growing public interest in the securities of this company. Within the last two months, the company commenced construction work in connection with the installation of two new 6,000 h.p. units at its plant at Drummondville, Que. This will bring the capacity of this plant up to 18,000 h.p.

The company's new development at Hemmings Falls on the St. Francis River has been completed. This plant has a capacity of 30,000 h.p. and 25,000 h.p. is at present installed and sold.

Operating in the rich Eastern Townships of the province of Quebec, the company shows a rapid development along sound lines, with the number of customers served increasing year by year.

The growth in the number of customers connected to the company's systems has been as follows:

1914	2,260	1920	10,557
1915	2,608	1921	12,240
1916	3,270	1922	13,249
1917	7,002	1923	15,066
1918	8,063	1924	16,250
1919	9,002	....	

The Southern Canada Power Company was incorporated in 1913 to take over South Shore Power and Paper Company, St. John's Electric Light Company, Gas, Electricity and Power Company of St. Hyacinthe, and the Municipal Light and Power Plant of Drummondville, has since taken over Sherbrooke Railway and Power Company, Lennoxville Light and Power Company, Richmond County Electric Company, Brome Lake Electric Power Company, and a number of other plants, including lighting systems in several towns.

The property consists of several hydro-electric plants, which in the next few months will have a developed capacity of 45,000 h.p., and undeveloped power capable of a further development of 130,000 h.p. Water powers are owned chiefly on St. Francis River, and the principal developments are at Sherbrooke, Drummondville and Hemmings Falls. They are held under lease from the Quebec government for 75 years from 1917, at extremely favorable rentals.

The company has over 300 miles of transmission lines, and serves 58 cities and towns in its territory.

To take care of natural growth of company's business, and to deliver 10,000 h.p. to Shawinigan Water and Power Co., on 15 year contract, the company has completed at Hemmings Falls a plant capable of generating 30,000 h.p.

Capitalization—

	Authorized	Outstanding
Common shares	100,000 shrs.	50,000 shrs.
Pfd. 6% shares	$5,000,000	$2,984,800

Funded Debt—

First and refund gold 6% due 1948	$5,000,000	4,637,500

Dividend Record—
Initial quarterly dividend of 1½ per cent. on preferred was paid April 15, 1920, which rate has been maintained to date. On common $1 was paid in 1923 and $2 in 1924.

Officers and Directors—
J. B. Woodyatt, vice-pres. and gen. man.; W. K. Baldwin, M.P., Harry Sifton, James Davidson, J. S. Gillies, W. H. Miner, Lieut.-Col. J. R. Moodie, A. J. Nesbitt, George Parent, K.C., C. E. Read, J. M. Robertson, L. C. Haskell, secretary.

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross earn.	$ 573,073	$ 689,742	$ 753,959	$ 843,565	$ 953,970	$ 1,160,863
Pur. power	93,941	77,901	78,685	85,406	111,128	129,742
Operation	204,850	271,761	215,067	216,075	222,702	240,393
Taxes	10,989	15,613	15,752	24,547	28,955	45,679
Maintenance	....	....	65,405	59,635	59,956	63,570
	309,780	365,275	374,909	385,663	422,741	479,384
Net earnings	$ 263.293	$ 324,467	$ 379,050	$ 457,902	$ 531,229	$ 671,479
Bad debts, etc.	1,114	692	429	985	3,117	5,750
Interest	204,115	252,118	287,886	306,847	275,057	270,958
Surplus	$ 58,064	$ 71,657	$ 90,735	$ 150,069	$ 253,055	$ 394,771
Previous surplus	149,204	207,268	265,898	338.353	58,511	127,406
	$ 207,268	$ 278,925	$ 356,633	$ 488,422	$ 311,566	$ 522,177
Pref. dividends	....	13,027	18,280	19,911	82,160	179,088
Com. dividends	....	....	....	....	....	100,000
Deprec. reserves	....	.....	....	410,000	102,000	115,100
Surplus	$ 207,268	$ 265.898	$ 338,353	$ 58,511	$ 127,406	$ 127,989
Rate of earnings, com.	$1.02	$1.35	$1.79	$3.16	$4.00	.....

Dominion Power

Lighting Business Best of Any of the Company's Departments

Earnings of Dominion Power and Transmission have fallen off of late years. The lighting branch of the company's business has been the most satisfactory. Competition with the practically tax-free Hydro enterprise in the power business has made matters difficult, while the street railway business has not been good because of the curtailment of business generally. The franchise for the railway expires in 1927 and until a deal one way or another is made with the city it is not the intention of the company to make further extensions and it will spend only what is necessary on maintenance and betterments. Preliminary negotiations with the city are on. The company has suggested that the matter be submitted to the ratepayers whenever the city completes its appraisal of the company's property. It is suggested that the ratepayers be asked to choose between purchase, franchise renewal or service at cost.

Welland Electric, a subsidiary of the company, was sold during the past year and this company has been wound up. The report for 1924 showed that the surplus earnings fell some $12,000 short of meeting the dividend of the preferred shares.

Heavy taxation is a serious factor with the company. The total levy for all purposes in 1923 was $260,000 and in 1924, $246,000.

Capitalization—

	Authorized	Outstanding
Common	$15,000,000	$7,700,000
Pref. 7% cum.	10,000,000	4 189,000

Funded Debt—
5% first gold, due annually to 1932, and bonds of subsidiaries oustanding, $8,411,000.

Dividend Record—

1907	6%	..
1908	3	..
1911	7+3	..
1912	7+3	..
1913	7+6½	..
1914	7	..
1915	7	..
1916	7	4
1917	7	4
1918	7	4
1919	7	4
1920	7	4
1921	7	..
1922	7	..
1923	7	..
1924	7	2

Officers and Directors—
Sir John Gibson, Lieut.-Col. J. R. Moodie, president; J. Dixon, Lloyd Harris, C. E. Neil, C. A. Birge, W. E. Phin, R. Hobson, J. Dickenson, E. P. Coleman, general manager.

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross earn.	$3,477,386	$3,803,723	$3,758,947	$3,830,558	$4,019,766	$3,814,512
Expenses	2,287,704	2,771,876	2,846,287	2,810,924	2,952,143	2,963,779
Net earn.	$1,189,682	$1,031,847	$ 912,660	$1,019,634	$1.067,622	$ 850,733
Replacements	35,166	......	......	......	......	......
New York exchange	......	68,379	59,186	24,600	......	......
Interest	453,816	436,280	446,116	442,883	450,875	447,273
Surplus earnings	$ 700,750	$ 527,187	$ 407.357	$ 552,151	$ 616,747	$ 403,460
Balance forward	853,033	1,008,119	940,526	1,071,922	1,098,090	†1,081,413
	$1,533,783	$1,535,308	$1,347,883	$1,624.073	$1,714,837	$1,484,873
Bad debts	12,251	13,799	2,670	2,966	3,302	7,193
Reserve	......	......	......	256,884	320,831	352,812
Dividends	533,413	564,059	257,677	258,837	258,837	415,759
Income tax	......	85,619	15,613	7,295	22,263	30,136
Rate of exchange	......	30,305	......	......	......	......
Bond common	......	......	......	......	9,937	......
Balance	$1,008,119	$ 940,526	$1,071,922	$1,098,090	$1,099,666	$ 678,972
Rate % earned on com.	558	1.81	1.70	*0.35	....	....

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* After depreciation.
† Less Welland Electrical Co.

Northern Ontario Light H. & P.

Activity in Lorrain, Cobalt and Kirkland Lakes Creates a Heavy Power Demand

Enlarged operations in South Lorrain, the re-awakening of interest and resumption of large scale operations in Cobalt and the speeding up and expansion of several of the Kirkland Lake and Larder Lake concerns, has furnished the Northern Ontario Light, Heat and Power with a heavily increased power demand during the past year. In addition to this Haileybury and the several centres, which were gutted by the serious bush fires of a few years ago, have all come back strong, thus assuring the company of a steady domestic lighting demand.

The new discoveries in the Cobalt camp of the past six months mean a great deal to the company as it not only sells power but also operates large air lines to the mines. The greater the activity underground the greater the demand for the company's air supply. At Ragged Chutes the company generated 5,000 h.p. and 4,000 h.p. at Hound Chutes. It has an electric plant on the Matabitchouan and another at Fountain Falls.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$4,585,000
Pref. 6%	2,500,000	2,400,000

Funded Debt—
First mortgage 6% 20-yr. gold bonds due 1931, $4,506,500.

Dividend Record—
Preferred dividends were paid regularly at rate of 6% per annum from Jan. 1, 1912, to and including Jan. 15, 1921; 3% paid in 1923, payments semi-annually, Jan. and July. No dividends paid on common.

Officers and Directors—
David Fasken, K.C., president; F. O. Blackwell, C.E., vice-president; A. Fasken, K.C., O. B. Wilcox, Edwin Hanson, W. H. Brouse, G. R. Hulme, Irving Bonbright, D. G. Allan, general manager.

Profit and Loss—

	1921	1922	1923
Gross earn.	$ 727,589	$ 822,097	$1,047,240
Oper. ex., tax.	282,677	299,034	367,314
Net earn.	$ 449,912	$ 523,063	$ 679,926
Other in.	*13,844	64,425	65,894
	$ 458,756	$ 587,488	$ 745,820
Bond int.	271,113	270,390	270,390
Pref. div.	......	......	214,452
Dep. & other res.	175,000	300,000	239,000
Surplus	$ 12,643	$ 17,098	$ 21,978
Rate % earned on pref.	†0.33	0.71	0.19

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*Includes adjustments, exchange charges, etc.
†Deficit.

Great Lakes Power

Power Company in Strong Position—Railway Earnings Hit by Algoma Steel Close Down

One of the important power and utility projects of which little is heard is the Great Lakes Power and its subsidiary, International Transit Co., of Sault Ste. Marie. This is an enterprise controlled by the Insull's, the famous Chicago and Middle States utility group who were bidding for a time for control of Northern Canada Power, which was later sold to Nesbit Thompson, Montreal.

The 1924 report which has just been made public, shows the company to be in a strong position. Its power business is on an excellent basis and had a fine year. Its street car service did not do so well, being affected adversely by the curtailment of operations at the Algoma Steel plant.

Combined gross income from the two companies for the year was $693,588 and the net was $433,529. With interest, bank and bond, deducted, the net available for distribution stood at $260,213. Preferred dividends took $42,000 and common $80,000 and $138,213 was added to surplus, bringing the latter up to $834,952. A feature of the year was the retirement of $75,000 first mortgage power bonds and $20,000 transit bonds.

Retirement reserve stands at $528,421.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$2,000,000
Pfd. 7%	600,000	600,000

Funded Debt—

First mortgage 6% gold bonds, due serially, 1924 to 1944	3,000,000	2,700,000

Officers and Directors—
S. Insull, president; M. J. Insull, vice-pres.; J. A. McPhail, vice-pres.; O. E. McCormick, secretary; E. J. Knight, assistant sec.; S. Buttrick, B. A. Eckhart, J. O. Heyworth, D. R. McLennan, J. L. Martin, A. E. Pickering, gen. manager.

Profit and Loss—

	1922	1923	1924
Gross in.	$ 542,338	$ 577,488	$ 585,037
Oper. exp.	$ 152,614	$ 162,019	$ 163,446
Fixed chgs.	172,784	169,563	162,266
Net profits	$ 216,939	$ 245,905	$ 259,324
Pref. div.	42,000	42,000	42,000
Com. div.	80,000	80,000	80,000
Surplus	$ 94,939	$ 123,905	$ 137,824

Avon River Power

Making Headway in the Disposal of Its Power

The Avon River Power Company is a small development which produces 2,500 h.p. The company has but recently completed its first year of operation and, at yet, the annual report has not been published. Reports indicate that the operations of the concern have been satisfactory. The power consumption has not yet reached the capacity of the plant.

The Avon River Power Company is in the Annapolis Valley of Nova Scotia and distributes power to a number of towns in that solid and prosperous part of Canada.

The company, like other public utilities in Nova Scotia, is under governmental jurisdiction and is entitled to a return of 8 per cent. on the fair valuation of its property. The valuation given by the Public Utilities Commission is such that the company is allowed earnings that will pay bond interest twice over.

Capitalization—

	Authorized	Issued
Preferred	$ 250,000	$ ......
Common	250 000	225,000

Funded Debt—

6½% first gold bonds due 1953	600,000	250,000

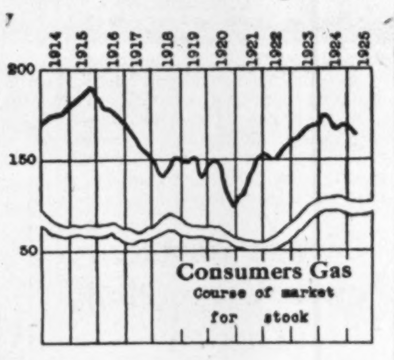
Officers and Directors—
W. H. Chase, Wolfville, N.S.; president; G. W. Hensley, Halifax; R. A. Jodrey, Wolfville; T. B. Akins, Windsor.

Consumers' Gas

Company is Materially Extending Its Business by Serving Growing Municipalities Around Toronto — Will Try to Heat 25% of Toronto's Homes

Consumers Gas is undergoing two important developments that are of interest to shareholders. One is the extension of service to important township areas and the other is the gradual expansion into domestic heating. Both give promise of a material enlargement of the company's business.

At the last annual meeting, President A. W. Austin told of the plans of the company to give service in the townships surrounding Toronto in which it was empowered to operate. These extensions are being made in some sections. It was also forecast that in the next couple of years the company would be in a position to develop house heating service. The company has already developed this service to a considerable extent but General Manager Arthur Hewitt says it will be two or three years before the company will be ready for going into this branch of service on the wholesale scale which was forecast. When ready to do this the company will be able to take care of up to 25 per cent. of the Toronto population.



Coke is becoming a much more important fuel factor in Ontario than heretofore. In the past year or so it has made serious inroads on the anthracite coal market. The gas company has been a factor here and in the erection of a large new coking plant will be an even greater marketer of the fuel in the future.

Consumers Gas has been considerably in the limelight during the past year owing to the agitation at Toronto City Hall for special audit of the company's books, over and above the regular audit which the city makes at all times. This was carried to the legislature where the city lost out only to have the company inform the mayor that he was free to go ahead with the audit desired. This agitation, however, had very little effect on the market for the shares of the company, so well has it become to be regarded in investment circles. During the whole period of the agitation from August last until the present, the shares have fluctuated narrowly between 166 and 171, with the exception of early in the year when it declined to 164 only to later soar to 171 as soon as the company announced a new allotment of shares. This latter was 20,000 shares and all but 1,229 were taken up. These were later sold by tender. The funds are being used in extensions and betterments bringing the capital stock issued up to $10,000,000.

Capitalization—

	Authorized	Outstanding
Common	$12,000,000	$8,000,000

Funded Debt—
None.

Dividend Record—
1848 to 1857, 10% 1858 to 1873, 8%; 1874 to 1924, 10%.

Shareholders—

Year	No. of Shrhldrs.	Shares of $100 par	Average Holdg. per Shrhldr.
1873	219	6,000	27.4
1883	317	10,000	31.5
1893	489	16,000	32.7
1903	664	18,000	27.1
1913	1,599	47,250	29.5
1923	2,437	80,000	32.6

Market Record—

	High	Low
1912	196	189
1913	191	165
1914	180	169
1915	185	176
1916	176	160
1917	165½	147
1918	153	144½
1919	152	138
1920	150	125
1921	* 75	* 65
1922	†160	* 72
1923	163	150½
1924	170½	159
1925 to date	171½	164

*Quotation "Dollars per share" instead of "percentage."

†New stock of $100 par.

Earnings Growth—

The table of gross andd net earnings in a period of years follows:

1924	$6,615,044	$1,402,540
1923	6,883,353	1,384,704
1922	6,813,939	1,478,274
1921	7,214,881	1,540,932
1920	6,426,896	1,240,274
1919	5,506,215	965,917
1918	5,095,006	776,665
1917	4,296,349	953,306
1916	3,637,805	919,576
1915	3,440,008	865,380
1914	3,577,982	944,949
1913	3,203,310	841,981
1912	2,464,368	718,134
1911	2,214,873	697,006
1910	2,070,691	754,760
1909	1,737,000	604,083
1908	1,587,362	556,822
1907	1,363,400	455,360
1906	1,241,830	500,952
1905	1,095,650	412,259

Officers and Directors—

A. W. Austin, president; A. R. Auld, A. H. Campbell, Lt.-Col. J. F. Michie, F. Le M. Grasett, M.D., vice-president; L. Goldman, W. Mulock, K.C., Mayor of Toronto, F. G. Osler, T. H. Wood, Arthur Hewitt, general manager; John J. Armstrong, secretary.

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross income	$5,506,215	$6,426,896	$7,214,882	$6,813,940	$6.883,353	$6,615,044
Operating expenses	4,540,297	5,186,622	5,673,949	5,335,666	5,498,649	5,212.504
Net income	$ 965,918	$1,240,274	$1,540,933	$1,478,274	$1,384.704	$1,402,540
Other income	......	......	......	......	......	40,290
	$ 965,918	$1,240,274	$1,540,933	$1,478,274	$1,384,704	$1,442.830
Interest	57,537	60,592	63,022	51,516	8,586	......
Plant renewal	499,446	513,903	543,584	565,539	591.002	634,235
Dividends	535,999	536,070	581,338	600,000	689,263	798,740
Surplus	*127,064	129,709	352,989	261,218	95,862	9,855
	$ 965,918	$1,240,274	$1.540,933	$1,478,274	$1,384,704	$1,442,830

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* Deficit.

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Private Wires to All Branches

Shawinigan Power

Lays Foundations for Future Development — Sells All Its Output Wholesale and Controls Many Subsidiaries

The Shawinigan Water and Power Company is more a wholesaler than a retailer of power. For this reason, through its low rates to the manufacturer, it has done a great deal to attract industry to the province of Quebec. Power is supplied to many of the subsidiaries of the company and also a good clientele has been built up in those districts immediately surrounding its power developments. In addition, it supplies a large amount of power through a long term contract to the Montreal Power Consolidated, who in turn, do the retailing.

During the past year, Shawinigan has laid a foundation for future development, not the least of which is the joint control which, together with "Power" Consolidated, it exercises over United Securities, Limited. These three connected companies control the power and tramways situation on the Island of Montreal. In addition, of course, the Shawinigan has its large manufacturing following in many points throughout the province, and utility interests in Quebec, Three Rivers and elsewhere.

In September, shareholders were given the opportunity of subscribing for $2,000,000 additional capital stock. Its record shows numerous offerings of stock to shareholders and those who have held their stock since before the war have benefited by several bonuses of this type, which in addition to the dividends, lends an added attraction to this investment.

The company has maintained and operated a group of eight wholly owned subsidiaries for many years past, most of which were the direct result of a policy inaugurated to provide an outlet for its production of power. Little has been shown in the annual reports to indicate the nature of the profits derived from their operation. More or less recent developments indicate that some of these subsidiaries will add considerably to the company's revenues. Some of these subsidiaries are closely inter-related in that one uses the product of the other as a raw material. Such is the case with the Canada Carbide Company and the Canadian Electro Products Company.

Shawinigan is one of the largest shareholders of Montreal Light, Heat and Power Consolidated, and it owns an important interest in the Laurentide Power Company.

The two manufacturing companies, Canada Carbide Company, Limited, and Canadian Electro Products Company, Limited, are located at Shawinigan Falls, producing calcium carbide and acetic acid respectively. The Canada Carbide Company, Limited, was started originally as a power customer of the company, and has for many years taken and paid for a large amount of power.

The Shawinigan Engineering Company is the engineering and construction department of the company, and was organized as a separate company principally for accounting reasons.

The various subsidiary electric light and power companies owned are important adjuncts, and actually are operated as departments of the company attending to the retail distribution of light and power in more than 125 cities and towns.

The Three Rivers Traction Company operates a street railway in Three Rivers. The company is a good customer for power, and makes a profit over and above its expenses fixed charges and depreciation.

The other two companies controlled, the Quebec Power Company and the St. Maurice Power Company are dealt with separately because each has a distinct investment interest in itself.

The total power development of Shawinigan is 500,000 h.p., made up by the following:

	Horsepower
Dev. at Shaw'n Falls	260,000
Bought from Laurentide Pr.	50,000
Bought from St. M. Power ..	130,000
Smaller W. P. of Subsidiaries	60,000

A possible future development of about 150,000 h.p. can be made in the above powers. In addition to these, there are some small water powers belonging to subsidiary companies.

The yield on the stock at present prices is not very high, but the prospects for profit for the investor are excellent. Shawinigan has many points to go before it reaches the high level of over 150 reached in 1912, when the dividend rate was only five per cent. The dividend rate of seven per cent. has been unchanged since 1916 and is not likely to be increased until the full benefits of the enlarged installation of the past few years are realized. But with the present dividend rate assured investors can afford to wait for the larger things that are in store.

The company is a wholesaler and a retailer of power. Power is wholesaled to 20 towns and through its subsidiaries it retails power and light to 127 municipalities. The company has over 55,000 power and light customers.

Capitalization—

	Authorized	Outstanding
Capital stock	$40,000,000	$22,000,000

Funded Debt—
Consolidated mortgage 5 per cent. bonds due 1st July, 1934, redeemable at 110, interest payable 1st January and July. Refunding mortgage sinking fund 5½ per cent. bonds due 1st January, 1950, interest payable 1st June and December, first refunding mortgage sinking fund 6 per cent. bonds, series "B"; first refunding mortgage sinking fund 6 per cent. bonds, series "C," due 1st July, 1950, interest payable 1st January and 1st July. Total outstanding, $18,508,500.

Dividend Record—

Year	Per cent.	Year	Per cent.
1907	2	1917	7
1908-09	4	1918	7
1910	4	1919	7
1911	5	1920	7
1912	5¼	1921	7
1913	6	1922	7
1914	6	1923	7
1915	6½	1924	7
1916	7		

Officers and Directors—
J. E. Aldred, president; H. Murray, O.B.E., and J. C. Smith, vice-presidents; M. J. Curran, H. J. Fuller, Sir Lomer Gouin, Sir Herbert S. Holt, R. W. Kelley, Col. G. P. Murphy, C.M.G., W. S. Hart, treasurer; G. W. McDougall, K.C., Beaudry Leman, Jas. Wilson, secretary.

Market Record—

Year	High	Low	Year	High	Low
1912	154¾	122	1919	127½	114½
1913	149	119	1920	119½	97½
1914	142¾	111	1921	109½	100
1915	139⅞	110	1922	116¾	102½
1916	137	126¾	1923	123½	112
1917	131	107	1924	137½	118¼
1918	118½	107	1925	143½	103½

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross earn.	$3,727,045	$3,943,359	$4,224,046	$4,629,642	$5,110,539	$5,741,079
Oper. exp. taxes	1,296,187	1,417,815	1,385,051	1,676,581	1,939,646	2,420,528
Balance	$2,430,858	$2,525,544	$2,838,995	$2,953,061	$3,170,893	$3,320,551
Interest	657,115	716,501	1,048,182	1,155,778	1,189,833	1,274,652
Depreciation	300,000	200,000	200,000	200,000	350,000	350,000
Net earn.	$1,473,743	$1,609,043	$1,590,813	$1,597,283	$1,631,560	$1,695,899
Dividends	1,240,903	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Balance	$ 232,840	$ 209,403	$ 190,813	$ 197,283	$ 231,560	$ 295,899
*Prev. bal.	17,710	30,550	39,593	145,593	159,253	229,070
	$ 250,550	$ 239,593	$ 230,406	$ 342,876	$ 390,813	$ 524,969
Reserves	70,000	70,000	75,000	75,000	75,000	75,000
†Surplus	$ 180,550	$ 169,593	$ 155,406	$ 267,876	$ 315,813	$ 449,969
Rate % earned	7.47	7.29	7.92	7.86	7.9	8.00

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*After adjustment.
†Subject to deduction for income tax.

St. Maurice Power

A Subsidiary of Shawinigan—Sells Power to Parent Concern and International Paper Co.

St. Maurice Power Co. is still in the throes of a power dispute centred on the claim of the United Manufacturing Co. that it controls the rights to development of two of the three water powers that were developed by St. Maurice Power Co. in one development at La Gabelle, Que., and which is now producing power. Its claim is based upon a charter granted some years, ago, giving it the right to develop power upon acquiring riparian rights along the river. The claim of the St. Maurice Power Co. to the power sites is based upon a recent lease from the Quebec Government.

The case of the two companies has been before the courts and it is thought that the question may eventually reach the privy council.

In the interval the price of bonds of the company has shown but little reflection of the controversy. The company is controlled by Shawinigan Water and Power Co., was formed to develop the water power resources of a site at Gres Falls, in the St. Maurice River. A separate company had to be organized because Shawinigan did not control the site outright.

In 1916 the Shawinigan Water & Power company acquired the ownership of the Gres Falls by purchase from the Union Bag & Paper Co. This falls has a head of 45 feet and the original intention of the company was to develop this alone.

In the meantime the International Paper Co. through its subsidiary, St. Maurice Lumber Co., has acquired two rapids immediately below Gres Falls, viz. La Gabelle and Des Forges, having a total head of 30 feet. Negotiations were carried on with the International Paper Co., and as a result it was agreed to consolidate the interests of the two companies and to make one power development. Out of this arrangement arose the St. Maurice Power Co. which is now controlled by Shawinigan through stock ownership.

The company's original development now produces 132,000 h.p. and the power is being sold to the Shawinigan. The ultimate capacity will be 165,000 h.p.

The bonded debt works out at $83 per horsepower, which is low.

Capitalization—

	Authorized	Outstanding
Stock	$8,000,000	$7,200,000
Funded Debt—		
6½% first mortgage sinking fund gold bonds, due 1953	12,000,000	9,026,600
Registered deb. stock	£ 200,000	973,400

Officers and Directors—
Julian C. Smith, president; H. Murray, O.B.E., vice-pres.; J. E. Aldred, Sir Lomer Gouin K.C.M.G.; W. S. Hart, Sir H. S. Holt, G. W. MacDougall, K.C.; J. Wilson, sec.; W. S. Hart, treas.

LOWER ST. LAWRENCE

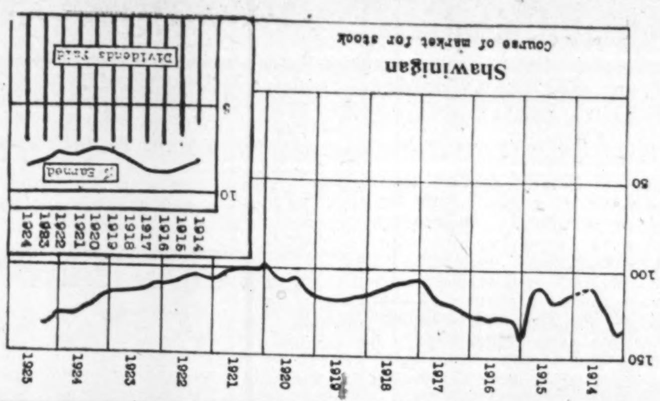
At the beginning of this year, the Lower St. Lawrence Power Company through a subsidiary began supplying Campbellton with all its electric power requirements. The completion of the 105 mile power line to Campbellton, N. B., finished the construction programme of the company. Although power was first turned on as recently as August, 1923, the earnings to date are understood to be satisfactory.

The company operates in the Amqui, Rimouski, Metis and Matane districts of Quebec and has one of the lowest cost developments for horsepower in the Dominion.

Capitalization—
Common stock, 20,000 shares, no par value. No preferred stocks.

Funded Debt—
7% 1st mrtg. bonds, due Aug. 1, 1947 ....$750,000
8% gen. mrtg. bonds, due 1932..... 350,000

Officers and Directors—
J. A. Brillant, Rimouski, president; R. O. Sweezey, vice-president; P. E. Gagnon, secretary; J. E. Pinault, Frank Battles, D. I. McLeod, E. Astle, R. D. Donaldson.



Quebec Power

Controls and Operates All the Public Utilities in the City of Quebec

The majority of both the common and the preferred stock of the Quebec Power Company is owned by the Shawinigan Water and Power Company; to the latter is sold, under contract expiring 1946, 5,000 horsepower.

The Quebec Power Company in turn owns more than 90 per cent. of the stock of the Quebec Railway, Light, Heat and Power Company. This last company still exists as a separate concern, but the properties are united with, and under the central management of the holding company.

Quebec Power Company and the companies it controls are now the only companies distributing power for lighting and other industrial purposes in the City of Quebec and the surrounding industrial district, including the adjacent towns of Limoilou, Charlesburg and Levis.

The companies so controlled operate a gas production and distribution service in the City of Quebec with a capacity of 1,000,000 cubic feet of gas per day; they operate a street railway in Quebec City and suburbs and an electrically epuipped railroad from Quebec to St. Joachim, connecting with the Quebec and Saguenay division of the Canadian National Railways.

The Quebec Power Company is the result of a merger which combined all the public utilities of the City of Quebec. The first year in which the company operated all the Quebec utilities was concluded at the end of 1924. Earnings during the first year of its enlarged operations have been good, and the future for the company looks bright.

The company and the local city council had some difficulty in reaching an agreement about the street railway. Negotiations, which stretched out over a year, were finally concluded in March last. The company will operate the trams under an agreement which is to run for a thirty year period.

The company has not announced, as yet, any definite dividend policy and the last quarterly dividend paid was 1¼ per cent. It is expected that this will be increased to an annual disbursement of 6 per cent.

Capitalization—

	Outstanding
Common Stock	$3,818,500
Preferred 7% cumulative	2,209,640
1st mortgage sinking fund 6% gold bonds	3,540,000
Debenture 6% stock £300,000....	1,460,000

Dividend Record—
Preferred 7% per annum, payable 15 Jan., April, July and October. Common, 4% paid in 1924.

Profit and Loss—

	1923	1924
Gross income	$544,090	$908,470
Operating expenses	238,296	230,284
Balance	$305,794	$678,186
Interest	100,903	300,000
Depreciation	24,000	30,000
Net income	$180,890	$348,186
Q. P. S. dividend	40,000	......
Balance	$140,890	$348,186
Pref. dividends	76,494	156,184
Com. dividends	......	157,352
Balance	$ 64,395	$ 34,649
Adjustments	96,961	......
	$161,357	$ 34,649
Stk. dividend	160,000	......
Surplus	$ 1,357	$ 34,649
Prev. surplus	......	1,357
P. and L. balance	$ 1,357	$ 36,006

Officers and Directors—
Julian C. Smith, pres.; Howard Murray, vice-pres.; W. S. Hart, treas.; Jas. Wilson, sec.; J. E. Aldred, C. H. Branchaud, J. H. Fortier, Dr. Milton L. Hersey, Jas. M. McCarthy, Hon. P. J. Paradis, Geo. Parent, M.P., J. T. Ross, C. E. Taschereau, J. E. Tanguay, gen. manager.

Market Record—

	Common High	Common Low	Preferred High	Preferred Low
1923	81	60	91	88
1924	95½	64	105½	89⅞
1925 to date	97½	85	109½	103½

Quebec Railway, Light, Heat & Power Company

Capitalization—

	Authorized	Outstanding
Capital stock	$10,000,000	$9,999,500

Par value $100.
Consolidated 5% gold bonds, due Dec. 1, 1939. Redeemable by drawing, or upon six months' notice at 105 on any interest date. Interest payable 1st June and December. $9,151,000, 30-year income 5% bonds, due 1st Sept., 1951, $3,307,200.
Subsidiary companies' bonds, $3,411,000.

Dividend Record—
None since 1912.

Properties—
Operates street railway system in Quebec and surrounding country; also electric light and gas plants. Controls six subsidiary companies.

Profit and Loss—

	1924	1923	1922
Gross inc. ...	$3,133,806	$2,973,004	$2,858,606
Oper. exp. ..	2,156,492	2,100,731	2,010,814
Net op. inc. .	$ 977,314	$ 872,272	$ 847,792
Extra exp. ..	......	*123,621	......
Balance	$ 977,314	$ 748,651	$ 847,792
P.C. and int.	712,642	583,282	557,901
Balance	$ 264,671	$ 165,368	$ 289,830
Deprec.	250,000	150,000	182,545
Balance	$ 14,671	$ 15,368	$ 107,284
Bond. disc. ...	......	12,116	21,183
Surplus	$ 14,671	$ 3,251	$ 86,100
Prev. surp. ..	492,189	760,149	674,048
Total	$ 506,861	$ 763,400	$ 760,149
Written off ..	......	†279,917	......
Balance	$ 506,861	$ 492,189	$ 760,149
Extra exp. ..	‡83,001	......	......
Balance	$ 423,859	$ 492,180	$ 760,149
To dep. res. ..	423,859	......	......
P. and L. bal.	$	$ 492,189	$ 700,149

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*Extraordinary repairs and expenses, 1923.
†Depreciation and adjustments applicable prior to January, 1923.
‡Extraordinary repairs and expenses applicable prior to January, 1924.

AMOS WATER

Investment interest in the Amos Water and Power Co. lies in the bond issue of the company which matures in 1930. The company owns and operates the water system of the town of Amos, P. Q., the most important town in the Abitibi district of Northern Quebec. In addition to owning and operating the water system under an exclusive franchise, expiring 1943, the concern owns a water power site on the Harricana River at Amos.

The bond issue, which was made but recently, was for the purpose of expanding the system to keep pace with the growth of the town. It is probable that the earnings will be equal to several times bond interest requirements and the expectation is that the town's growth will be continued.

Capitalization—

	Authorized	Outstanding
Stock ....(Par value $100)	$ 90,000	$ 50,000
Funded Debt—		
7% first mortgage gold bonds, due 1930	$ 75,000	$ 75,000

In the northwestern part of Quebec the Quinze Power Co., a subsidiary of the Northern Canada Power Co., completed in 1924 the installation of 20,000 h.p. in its development on the Quinze river. This power is being transmitted for use in the Porcupine gold mining area of Ontario.

Montreal Water

An Old Established Company Which Has Been Gaining in Financial Strength

The Montreal Water & Power Company was incorporated in 1891, with exclusive rights to supply water to various districts in the city of Montreal and also to Westmount and Outremont. The company owns two reservoirs with total capacity of 52,000,000 gallons, has over 185 miles of mains and over 52,000 services. Franchises are generally for a term of 50 years from 1891. The expectation is that the city of Montreal will eventually buy it and add to its own system.

Earnings have shown a steady increase since 1912 and the company is in a strong financial position.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$ 560,000
Preferred	2,000,000	500,000
Funded Debt—		
Prior lien bonds, 4½%, due 1932		4,784,906
First mortgage 5% bonds, due 1932		928,080

Profit and Loss—

	1922	1923	1924
Gross rev. ..$	997,748	$1,073,491	$1,170,480
Oper. exp. ..	435,892	430,784	456,457
Gross profit.$	561,856	$ 642,707	$ 714,023
Interest	222,016	227,452	237,518
Profit .....$	339,840	$ 415,255	$ 476,506
Bond disc. ..	21,858	18,246	17,750
Reserve for damage ..	......	25,000	25,000
Sinking fund	59,481	58,655	58,128
Reserve for bad debts .	27,000	15,000	15,000
Deprec.	152,035	151,847	164,618
	$ 260,374	$ 268,747	$ 280,476
*Net profit..$	79,465	$ 146,508	$ 196,029
Pref. div. ..	35,000	35,000	35,000
Com. div. ..	19,600	19,600	28,000
Surplus ....$	24,865	$ 91,908	$ 133,029
Surplus for'd	591,815	556,680	† 613,588
	$ 616,680	$ 648,588	$ 746,617

---

*Before providing for income tax.
†After deducting reserve for federal taxes.

Dividend Record—
7% each paid on preferred and common stocks in 1922, 1923 and 1924 fiscal years.

Officers and Directors—
Edwin Hanson, president; F. W. Evans, vice-president; W. Hanson, A. F. Riddell, T. Bienvenu, F. H. Pitcher, general manager; Lt.-Col. E. G. Hanson, W. C. Shaw, secretary; W. H. Sutherland, asst. engineer and comptroller.

Laurentian Power

Present Contract Earns More Than Twice Bond Interest

The Laurentian Power Company owns in fee simple the water power on Seven Falls on the St. Maurice River, 35 miles from Quebec. The total capacity of the plant is 18,000 h.p. Under a contract expiring in 1940, 10,000 h.p. is delivered to the Quebec Railway, Light, Heat and Power Company. The net earnings from this contract are alone sufficient to equal twice the interest on the bonds. The company have not met with success in disposing of its remaining 8,000 h.p.

Provision has been made for the installation of a fourth unit of 6,000 h.p., which will make the ultimate capacity of the present plant 24,000 h.p.

Capitalization—

	Authorized	Issued
Common stock	$2,000,000	$2,000,000
7% cumulative pref. stock	350,000	350,000
1st mtg. 6% bonds	2,000,000	1,371,200

(Of the $1,371,200 of bonds issued$299,200 are held in escrow to redeem a like amount of underlying 5% bonds due 1931.)

Dividend Record—
Initial dividend on preferred paid Sept. 30, 1921; payments quarterly. No dividends paid on common.

Officers & Directors—
Hon. Adelard Turgeon, pres; N. Belleau, vice-pres.; J. Ruddick, H. Horsfall. E. A. Wallberg.

Earnings—
Gross and net earnings for the four years ended March 31, 1924.

	1921	1922	1923	1924
	$	$	$	$
Power sales	219,999	220,000	199,800	211,531
Op. exp.	47,600	49,705	46,791	73,387
Op. rev.	172,399	170,294	153,009	138,144
Other inc.	587	1,061	1,470	1,621
Bond int.	80,703	78,302	80,436	79,106
Net before govt. taxes and deprec.	92,283	93,053	74,043	60,659

I. P. Morris and Pelton
HYDRAULIC TURBINES

Abitibi Power & Paper Company
Canadian Light & Power Company
East Kootenay Power Company
Granby Consolidated Mining, Smelting & Power Co.
Great Lakes Power Company
Hydro-Electric Power Commission of Ontario
Laurentide Power Company
Lower Sturgeon Power Company
Maine & New Brunswick Electrical Power Company
Manitoba Power Company
Montreal Light, Heat & Power Company
Northern Canada Power Company
Northern Ontario Light & Power Company
Quinze Power Company
Shawinigan Water & Power Company
Southern Canada Power Company
St. Maurice Power Company
West Kootenay Power & Light Company

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Associated Companies
THE WILLIAM CRAMP & SONS SHIP AND ENGINE BUILDING CO., PHILADELPHIA.
THE PELTON WATER WHEEL COMPANY, SAN FRANCISCO and NEW YORK.
SOCIEDADE ANONYMA HILPERT, RIO DE JANEIRO, BRAZILIAN LICENSEES.

Montreal Tramways

Company Now Jointly Controlled by Montreal "Power" and Shawinigan "Power" — Growing City Makes Constant Expansion Essential

The upheaval which threw E. A. Roberts, the late president of the Montreal Tramways completely out of the power picture, as far as the Island of Montreal is concerned, placed this company under the control of the Montreal Power and Shawinigan group, which, through control of United Securities, are now the guiding hand in the affairs of the Montreal Tramways Company; if only partly as good results are obtained with Tramways as have been achieved with other companies which have been acquired, the shareholders have reason for congratulation.

During the past year additions to the rolling stock are represented by 25 new motor cars and 25 new trailers. At the Hochelaga power house, a 12,500 kw. steam turbine and two new boilers were put into operation. Additions also have been made and have been planned for sub-stations to take care of the power requirements of the future.

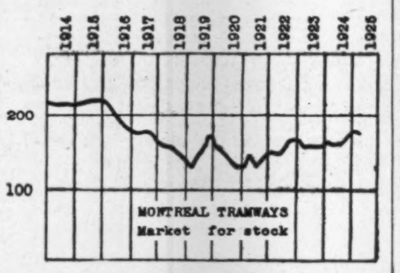
The complex finances of the company have been much simplified. Early this year, a bond issue of $100,000,000 was authorized, junior to the first mortgage bonds. Of this $17,826,500 has been issued to take the place of the old 5 per cent. debenture stock. When the first mortgage bonds mature in 1941, they will be refunded by a further issue of these new bonds.

The construction programme of the company for the 1925 season calls for at least 30 miles of construction and reconstruction of track.

The Montreal Tramways Co. owns and controls the street railway operated in the city of Montreal and in the suburban municipalities on the island of Montreal. Montreal is one of the most important commercial centres on the continent. The estimated population of the district served is about 900,000. The street railway business of Montreal has been in successful operation for more than sixty years, and the Montreal Street Railway Co., the principal predecessor of the Montreal Tramways Co., paid consecutive annual dividends on its capital stock for more than 30 years. The company is now paying dividends at the rate of 10 per cent. on its common stock.

The company's franchise rights are embodied in a contract with the city of Montreal and ratified by legislative act of the province of Quebec. This contract provides that fares shall be adjusted from time to time to the extent necessary for the company to receive, after payment of all operating expenses and maintenance and renewal fund payments, an annual return of at least six per cent. on the capital value of the company's property as fixed through the franchise contract. The contract continues in effect and is not terminable unless the city exercises the right to expropriate the company's property in March, 1953, or at the expiration of every subsequent five-year period, at a value to be fixed by arbitration, plus 10 per cent. above such amount.

On January 28, 1918, the company entered into a contract with the city of Montreal, which was ratified by legislative act of the province of Quebec on February 9, 1918, under the terms of which the company is granted the right to operate a street railway system in Montreal until March 24, 1953. In 1953, the city may purchase the property and assets of the company at a valuation to be then fixed by arbitration plus 10 per cent. of such valuation, and if no such purchase is made, the contract is automatically extended for five-year periods until the city shall so purchase the property at the end of any five-year period.



The contract creates a commission of three men, residents of Montreal, appointed by the lieutenant-governor-in-council of the province of Quebec for ten-year periods subject to removal by the same authority, and called the Montreal Tramways Commission. The duties of the commission are to administer the contract which grants authority to, and imposes the obligation upon the commission to maintain fares at rates which will provide revenues sufficient to meet the following requirements in the order of priority as shown below:

1. All operating expenses and taxes.

2. Ample funds for maintenance and renewals, and in connection therewith to create a maintenance and renewal fund of at least $500,000.

3. An annual return to the company of six per cent. on the capital value (at present agreed upon as $40,771,800) as well as six per cent. on all working capital required for the operation of the company; also $181,431.47 per annum during the life of the contract to cover expenses of financing.

4. A rental of $500,000 per annum to the city of Montreal.

5. The obligation to create a contingent reserve fund of $500,000.

6. Any surplus after providing for the above to be divided as follows:

20 per cent. to the company.
30 per cent. to the city.
50 per cent. to be used to create a tolls reduction fund of $2,500,000 to be used by the commission for reduction of fares as provided in the contract.

It is provided by the contract that in the event of any shortage of revenue arising in any one year to cover the obligations mentioned above, the commission is authorized and obliged to add such shortage to the requirements of the next year, and to make a rate of fare to cover the total.

The city of Montreal is directly interested in the prosperity of the company. After the company receives the stipulated allowances based on appraised capital values, the city receives $500,000 as an annual rental and a stipulated percentage of surplus earnings.

Capitalization—

	Authorized	Outstanding
Common stock ..	$20,000,000	$ 4,000,000
Funded Debt—		
General refunding 5% mortgage, due 1955		$17,826,500
First and refunding mortgage bonds, 5%		$21,351,000

Dividend Record—

Year		Year	
1913	10%	1919	2½%
1914	10	1920	10+10
1915	10	1921	10+5
1916	10	1922	10
1917	10	1923	10
1918	2½	1924	10

Officers and Directors—
J. C. Smith, pres.; Senator J. P. B. Casgrain, Wm. C. Finley, J. E. Hutcheson, Beaudry Leman, G. W. MacDougall, G. H. Montgomery, Howard Murray, Hon. J. L. Peron, Sen. Lorne C. Webster.

Market Record—

Year	High	Low
1912	140	42
1913	198½	120
1914	230	190
1915	220	220
1916	200	175
1917	181	165
1918	150	150
1919	160	114¾
1920	155	125
1921	151	105
1922	172	142
1923	159	140
1924	179	148
1925 to date	173	160

Profit and Loss—

	1920	1921	1922	1923	1924
Allow. under contract	$2,317,445	$2,355,970	$2,377,418	$2,392,986	$2,358,448
Other revenue	58,134	55,359	64,061	37,238	90,726
Gross revenue	$2,375,579	$2,411,329	$2,441,479	$2,430,225	$2,449,174
Int. on bonds	1,044,169	1,082,418	1,043,100	990,855	994,139
Int. on debs.	850,000	850,313	857,500	874,352	882,500
Other exp.	28,902	17,541	16,875	16,982	8,982
Total expenses	$1,923,071	$1,950,272	$1,917,475	$1,882,189	$1,885,621
Net income	$ 452,508	$ 461,057	$ 524,004	$ 548,033	$ 563,533
Dividends	290,550	388,994	397,432	399,947	400,000
Surplus	$ 161,958	$ 72,063	$ 126,572	$ 148,086	$ 163,553
Previous surplus	1,039,818	941,175	916,709	844.893	592,979
Total	$1,201,776	$1,013,238	$1,043,281	$ 992,979	$ 756,533
General reserve	....	......	....	400,000	....
Donation	5,000	....	....	....	....
Deferred div.	255,601	96,529	198,388	......	....
Discarded prop.	....	....	....	....	87,780
Surplus	$ 941,175	$ 916.709	$ 844,893	$ 592,979	$ 668,753

New Brunswick Power

Experiences Difficulty in Meeting Competition From Publicly Owned Plant

New Brunswick Power Company operates the power, gas and tramway systems in the city of St. John, N. B. It also controls water powers that have not been developed and which are held in reserve.

The company have been having trouble with their government owned competitors of late. The provincial government, having developed their own power sites, are in the severest kind of competition with this privately owned concern. In so far as the bond holders are concerned it would seem that there is no cause for alarm, as their equity is sufficient to give them protection.

Capitalization—

	Authorized	Outstanding
Common ....$	2,000,000	20,000 shs. (No par value)
1st. pref. cum.	3,500,000	$ 1,000,000
2nd. prf. non-cum...	1,500,000	350,000
Funded Debt—		
First gold 5% bonds due 1937	5,000,000	1,850,000

Dividend Record—
The company passed its first and second preferred stock dividends, payable Sept. 1, 1918, and dividends on its second pref. payable Dec. 1, 1918. Full dividends were paid on first pref. during 1919, also payment due Sept. 1, 1918, which was paid May 24, 1919, but the dividend due Mar. 1, 1920, was passed. All dividends on first pref. have now been paid to date. On second pref. the payment due Sept. 1, 1918, was made May 24, 1919, and dividends of 1¾% each were also paid June 1, 1919, and Dec. 1, 1919. No dividends have been paid on second pref. since May 17, 1920. Common dividends are payable only out of surplus earnings from the transaction of business after April 1, 1917. No dividends have ever been paid on common.

Officers and Directors—
E. N. Sanderson, president; W. C. Allison, W. S. Fisher, W. E. Golding, J. M. McAvity, A. P. Paterson, R. Sullivan, F. R. Ross, L. C. Gerry, M. A. Pooler, vice-pres. and general manager, J. A. Olive, sec.-treas.

Profit and Loss—

	1921	1922	1923
Gross earn's.	$1,038,561	$1,058,483	$ 991,945
Expenses	871,917	807,521	754,665
Net earn. ..$	166,644	$ 250,962	$ 237,280
Fixed chg. ..	......	113,415	......
Bond int. ...	87,500	......	92,500
Other int. ...	8,213	......	9,616
Pref. div. ...	76,125	87,500	70,000
	$ 171,838	$ 200,915	$ 172,116
Surplus ......*$	5,194	$ 50,047	$ 65,164

*Deficit.

On the North River in Quebec two new plants were brought into operation in 1924, the first by the Laurentian Hydro-Electric Co. near St. Marguerite, with an initial capacity of 1,865 h.p. and the second by J. C. Wilson, Ltd., near St. Jerome, with an installation of 1,200 h.p.

Detroit United

In Receivers' Hands and Future Still Looks Dark

The story of Detroit United Railways during the past ten years has been one of gradually decreasing earnings due to increasing bus competition and industrial inactivity in and about the city of Detroit where the company operate a system of suburban lines. The denouement came early this year when the road was put into the hands of receivers who are operating it at the present time.

The reason the road went into the receivership was due to the fact that earnings were low and the financial structure was top heavy with many and intricate bond issues, making further financing impossible.

In the meantime the financial state of the company is being arrived at by auditors—this statement may be expected momentarily. In addition, there is the possibility that the road may be operated by an American firm which makes the operation of public utilities its sole business, through this, it is expected that the company may obtain the benefits of good management, a thing, which in the past, it never seems to have experienced.

The company is owned by Canadian capital and controlled by Montreal interests.

Capitalization—

	Authorized	Outstanding
Common stock ...	$25,000,000	$15,375,000
Funded Debt—		
4½% bonds, due 1932		$11,000,000
Underlying bonds on property....		857,,000
6% first mortgage gold bonds...		8,472,000
Underlying bonds of subsidiary companies		8,325,500
6% collateral trust notes, due 1926		325,000
Gen. equipment trust certificates "A" due 1934		1 000,000

Dividend Record—

Year		Year	
1901	4%	1914	6%
1902	4	1915	6
1903	4	1916	6¾
1904	4	1917	7¾
1905	4½	1918	8
1906	5	1919	8
1907	3¾	1920	8
1911	5	1921	2+2½
1912	5	1922	1½
1913	6	1923	8
		1924	8

Officers and Directors—
E. G. Stevenson, president; Chas. Laurendeau, vice-pres.; Sir T. Tait, vice-pres.; E. J. Bendick, vice-pres. and manager; J. Bampton, treas.; A. E. Peters, sec.; M. A. Stewart, asst. sec.; R. J. Skeman, general auditor; J. S. Archibald, Tancrede Bienvenu, G. M. Bosworth, E. R. Decay, L. A. Gosselin, G. H. Smithers.

Market Record—

	Common	
Year	High	Low
1912	76½	55½
1913	80⅞	62¾
1914	73¾	62
1915	73	69
1916	128½	69
1917	128	104¾
1918	..	..
1919	113	93
1920	113¾	79¾
1921	96	50
1922	73	54
1923	79½	56
1924	72⅛	19⅛
1925	29	3¾

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross earnings	$24,683,038	$28,986,228	$23,329,068	$13,184,771	$8,863,599	$8,360,035
Operating expenses	19,792,528	25,025,165	19,428,779	10,098,489	7,243,270	7,275,797
Net earnings	$4,890,510	$3,961.063	$3,900,289	$3,086,282	$1,620,328	$1,084,238
Other income	546.406	676,118	716,224	1,064,574	873,582	692,924
Gross income	$5,436,916	$4,637,181	$4,616,513	$4,150,856	$2,493,910	$1,777,163
Inc. from bonds	....	....	....	....	78.784	....
	$5,436,916	$4,637,181	$4,616.513	$4,150,856	$2572694	$1,777,162
Interest and taxes	2,868,250	3,003,606	3,351,068	2,222.981	1,630,264	1,625,778
Dividends	1,200,000	1.200,000	675,000	230,275	921,351	460,750
Dep. reserve	950,000	400,000	400,000	250,000	....	....
Surplus	$ 418.665	$ 33,575	$ 190,445	$1,447,600	$ 21,079	†$ 309,366
Rate % earned	10.79	8.21	3.68	10.09	5.6	...

*After depreciation and taxes.
†Deficit.

Canadian Marconi

The Company Introduces New System of Beam Transmission to be in Operation Before End of Year

The Canadian Marconi Company is now in the control of British interests, the Marconi Wireless Company of Great Britain. In December last the capital stock of the company was considerably reduced. The shares which were formerly of $2.50 par value have now a par value of $1 each. This action reduced the capital of the company from $7,500,000 to $3,000,000.

The annual report covering the operation up to the end of 1924 will not be out for some time yet, and no statement as to earnings for that year has been issued by the company. The company have almost completed the construction of two new stations, one with transmitting equipment at Drummondville, Que., and the other for receiving at Yamachiche, Que. Both these stations will operate under the new Marconi short wave beam system and it is expected that inside this year, they will be in direct communication with England and Australia. These new systems, it is expected will operate at a lower operating cost than the older systems, which, till the present, have been in use.

Marconi Wireless Company of Canada operates ten stations on behalf of the Newfoundland government and 22 stations in Eastern Canada and Newfoundland for the Canadian government. It also owns and operates two high power stations at Glace Bay and Louisburg for transatlantic service. It has a factory in Montreal for the manufasture of wireless apparatus, radio sets, etc., which has been providing a goodly portion of its income recently.

Capitalization—

$7,500,000	$6,300,000
Authorized	Outstanding

(Shares $2.50 each)

No funded debt.

Dividend Record—
None.

Profit and Loss—

	1921	1922	1923
Profit ......$	12,253 $	22,251 $	**39,144
Depreciation .	*95,988	7,388	......
Balance ...$†	83,735 $	14,868 $	**39,144
Written off .	......	254,287	......
Bal. org. exp.	......	10,109	......
Bad debts ...	40,000	......	......
Special exp. .	29,627	......	......
Balance ...†	153,362 †	249,528 **	39,144
Prev. bal. ..	410,375	257,012	7,484
Balance ....$	257,012 $	7,484 $†	31,660

*Including amortization of patents.
†Deficit.
**Loss for year before making provision for depreciation and amortization of patents.

The Montreal Light, Heat and Power Consolidated added two units of 11,300 h.p. each to its Cedars Rapids plant on the St. Lawrence river during the past year, thus completing the designed capacity of this plant of 18 units totalling 200,000 h.p.

TORONTO RAILS

It will be a couple of months before Liquidator McDougall, of Toronto St. Railway, will be able to make a final distribution to shareholders. There are two claims yet to be settled. One is $55,000 interest claim against the City in connection with the award of the arbitrators and another for $45,000.

CANADIAN LIGHT

Canadian Light, Heat and Power Company was one of the concerns which was owned by the Montreal Tramways and Power Company, hence this company is now controlled by United Securities, Limited.

In so far as the investor is concerned interest centres only on the company's bond issue.

The company has not been earning ts bond interest. There is the possibility that the United Securities might allow the holders of the mortgage to foreclose and the property would in that event go on the open market. The lower market valuation of the bonds indicates the belief that those who anticipate payment in full for their bonds will be disappointed. An analysis is now being made of earnings in an endeavor to determine the future of the bonds.

Capitalization—

	Authorized	Outstanding
Stock	$7,000,000	$6,000,000

The stock is being exchanged for stock of Montreal Tramways & Power Co., on basis of one share of Canadian Light & Power stock for one and one-half shares of former company's stock.

Funded Debt—
5% first gold bonds, due 1949, $5,659,000.

Northwestern Utilities

A Rapidly Expanding Corporation Which Has Had But Little Time in Which to Demonstrate its Capabilities

The Northwestern Utilities Limited, commenced to supply gas to the city of Edmonton in 1923. At the beginning of this year, a $3,250,000 bond issue, carrying a bonus of two shares of common with each $1,000 bond was offered to the public.

At the beginning of 1924, the company had only 1,200 customers connected, and for the first six months an average of 2,000 gas consumers. Notwithstanding this fact, the company shows net earnings of $173,720.07. The number of customers connected at the end of the year was 4,875, nearly 2,000 of which were connected in the last three months of operation; the gross earnings for the month of December were $91,516.

An estimate of the net earnings of the company available for bond interest, after charging off operating expenses, taxes and lease rentals, but before income tax—taking into consideration the most unfavorable conditions that might arise—is as follows: 1925, $397,700. Bond interest amounts to $227,500 per year.

Capitalization—

	Authorized	Outstanding
Common .. .. .. (No par value.)	60,000 shs.	60,000 shs.
Pref, cum. 8% ..	$1,500,000	$1,500,000
First mortgage sinking fund 7% bonds due 1938..	4,000,000	3,250,000

The earnings for the first two months of the present year which are available for bond interest were in excess of $154,000. Bond interest requirements for the two months were $37,917.

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Public Utility Financing

Greenshields & Co. purchase singly, or with associates, entire issues of sound public utility securities, which are sold through an extensive distributing organization to private and institutional investors throughout this continent.

The following are recent utility issues originally purchased by us or purchased and offered with associates:—

MONTREAL TRAMWAYS 5% Perpetual Mortgage Debentures.
MONTREAL TRAMWAYS & POWER 6% Collateral Trust Bonds due March 1, 1929.
JAMAICA PUBLIC SERVICE 1st Mortgage 6½'s due July 1, 1943.
QUEBEC POWER 1st Mortgage 6's due Oct. 1, 1953.
MONTREAL TRAMWAYS Gen. & Refdg. 5's due April 1, 1955.
JAMAICA PUBLIC SERVICE 7% Preferred Stock.
OTTAWA LIGHT, HEAT & POWER CO. 6½% Pfd. Stock.
BELL TELEPHONE OF CANADA 8% Capital Stock.

The Greenshields Catalogue contains complete descriptions of the above securities, and will be sent on request.

Write for Catalogue 4

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46 Elgin Street

64 Years of Expanding Public Service

Montreal Tramways a Progressive Factor in Montreal's Growth Since 1861

1861 witnessed the birth of tramway service in Montreal when the City Passenger Railway's 18-foot-long horse-drawn cars met the needs of Montreal's 80,000 citizens.

From this modest beginning there has expanded to meet and to create the city's growth throughout the years the highly specialized and scientific electrical service which the Montreal Tramways Company provides to-day.

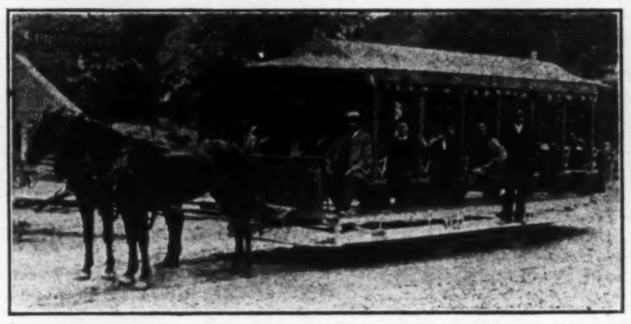
The 61 horse cars of 1861 with their plodding service are now replaced by over 900 of the largest, best-lighted and most comfortable all-steel cars on the continent — providing speedy, uninterrupted service.

Now One of the World's Leading Traction Companies

Municipal and traction authorities both from the United States and other countries have come to Montreal to study its traction system. Their interest has been two-fold—first, in the actual physical equipment and the methods of operation; secondly, in the unique contract (outlined below) between the Montreal Tramways Company and the City of Montreal.

New and far-seeing plans have been prepared to take care of congested points and the City's normal growth. Some of these schemes are already being carried out.

With Montreal's annual snowfall 120 inches this would seem to present an insurmountable obstacle to efficient winter traction service. Not so with the Montreal Tramways service. 58 powerful snow sweepers and plows, including six double truck sweepers recently added, each with four 55 horsepower motors and each weighing 45,000 pounds, defeat the heaviest snowfall and maintain continuous street car service—even when all other traffic is blocked.


One of the early horse-drawn cars.

Creative Factor in Montreal's Growth

The Montreal Tramways has been a consistent pioneer in developing Montreal. Wherever its tracks have gone communities have sprung up and flourished.

Its small track mileage of 1861 has now grown to 275.51 miles to meet to-day's needs of Montreal's close to 1,000,000 citizens—a growth in population which the Montreal Tramways progressive provision of transportation facilities to outlying areas has very definitely sponsored.

A Universal Transfer System

Uniting several independent companies, each collecting a separate fare, the Montreal Tramways Company unified the complete traction system within the limits of Montreal. Tramway passengers now benefit by one fare and a universal transfer system without parallel on the continent for economical long distance city travel.

For the fiscal year ending June 30th, 1924, the Tramways Company transported a total of 284,820,497 passengers, of which 200,035,062 were revenue passengers and 84,785,935 were transfers.

Scientific Methods

The Company conducts a training school for its over 3,700 employees whose well-trained efficiency is responsible for reducing accident claims to less than half of those in most United States cities.

Financial Record and Structure

The Montreal Street Railway Company, the principal predecessor of the Montreal Tramways Company, paid consecutive annual dividends on its capital stock for more than 30 years. The Montreal Tramways is now paying dividends at the rate of 10 per cent. on its common stock. The somewhat intricate financial structure has been simplified through the recent $100,000,000 bond issue which is sufficient to refund the present outstanding first mortgage at maturity, and has superseded the debenture stock issue.

Summarized the Montreal Tramways Securities now are:

	Authorized	Issued
1st Mortgage Bonds due 1941...	$ 25,000,000	$21,351,000
General and Refunding 5's......	100,000,000	17,826,500
Stock (10 per cent.)...........	20,000,000	4,000,000

There is no more sound public utility investment on this continent.

"Service at Cost" in the City of Montreal

MONTREAL TRAMWAYS COMPANY operates in Montreal under the terms of a contract with the city that provides for virtual service at cost to the citizens. Montreal's tramway contract has received the approval of experts from all over the world. It not only insures that the citizens of the city will at all times get the best service and at the lowest reasonable fares but that the investors in the company's securities shall receive a fair return on their investment. The company is assured also of being able to finance required extensions on fair terms.

The contract is based upon the recognition of two essentials:

1. That Montreal's continued growth is largely dependent on adequate expansion of its traction system.

2. That the investors who supply the capital for this expansion are entitled to every protection that the law can devise.

The 35-year contract negotiated by the present management with the City of Montreal in 1918 and ratified by the Legislature of Quebec by which the city becomes a virtual partner in the enterprise, is considered a model of its kind and its features have been extensively copied by members of the American Electrical Railway Association.

The contract creates a commission of three men, residents of Montreal, appointed by the Lieutenant Governor-in-Council of the Province of Quebec for ten-year periods, subject to removal by the same authority, and called the Montreal Tramways Commission. The duties of the Commission are to administer the terms of the contract which grants authority to, and imposes the obligation upon the Commission to always maintain fares which shall provide revenues sufficient to meet the following requirements in the following order of priority:

1. All Operating Expenses and Taxes.
2. Ample funds for Maintenance and Renewals, and in connection therewith to create a Maintenance and Renewal Fund of at least $500,000.
3. An annual return to the Company of 6 per cent. on the stipulated capital value ($36,286,295 plus capital expenditures made subsequent to December 31, 1917), as well as 6 per cent. on all working capital required for the operation of the Company; also $181,431.47 per annum during the life of the contract to cover expenses of financing.
4. A rental of $500,000 per annum to the City of Montreal.
5. The obligation to create a Contingent Reserve Fund of $500,000.
6. Any surplus after providing for the above to be divided as follows:

20 per cent. to the Company.
30 per cent. to the City.
50 per cent. to be used to create a Tolls Reduction Fund of $2,500,000 to be used by the Commission for reduction of fares as provided in the contract.

The Contingent Reserve Fund and the Tolls Reduction Fund can be drawn upon in turn to make up any deficiency in the payments to be made to the Company, by way of return upon the capital value.

It is also provided by the contract that in the event of any shortage of revenue arising in any one year to cover the obligations mentioned above the Commission is authorized and obliged to add such shortage to the requirements of the next year and to make a rate of fare to cover the total.

As present capital value, as fixed by the contract, is in excess of total bonds and debentures outstanding and as further issues of bonds and debentures are limited to aggregate not more than 75 per cent. of the additional capital value to be furnished, the Company is assured of sufficient income to pay interest on bonds and debentures.

The City of Montreal is directly interested in the prosperity of the Company, inasmuch as the terms of the franchise contract provide that the Company's right to receive its return on its capital value has priority over the City's right to receive $500,000 in annual rentals and a percentage of surplus earnings.

Exterior View — One of the thoroughly modern, powerful, ALL STEEL Cars — Interior View

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68
1814
1814

MONTREAL TRAMWAYS COMPANY

Bell Telephone

"Automatic" Dividends Combined With a Certain Speculative Interest Lend Great Interest to This Security — Company Continues to Expand

From the investors' standpoint the most interesting thing in connection with the Bell Telephone Company of Canada is the fact that the dividend has been paid regularly on an 8 per cent. basis since 1886.

As well as having this investment merit the stock is attractive, due to the fact that it has been the policy of the company to issue, from time to time, to its shareholders, at prices well below market levels, further amounts of capital stock. When these offerings are made, the shareholder has the right to subscribe for the stock or to sell his rights to the new shares. Since its inception the company have made 13 such distributions to the shareholders. The distributions made in 1902, 1904, 1905 and 1906 allowed the stockholder to purchase new stock at 125. The stock issued since then has been sold at par at various other dates.

Regardless of the speculative values in the stock, present prices give a good yield to the investor—hence the attractiveness of this security. The list of Bell Telephone shareholders now numbering upwards of twelve thousand three hundred names includes investors not only in all parts of Canada, but in the United States, the British Isles, Australia, and in many foreign countries.

The company was incorporated in 1880 to take over telephone systems in various provinces. Since then the company has disposed of its properties in provinces of Manitoba, Alberta, Saskatchewan, New Brunswick, Nova Scotia and Prince Edward Island and now operates only in Ontario and Quebec. Many of the properties were sold for cash in part and the balance in fully paid stock in local companies.

In 1920 and 1921 the company had deficits; after payment of dividends, the reduction of the operating ratio for the last three years has shown an increase in the amounts transferred into surplus account. The surplus earnings during the last three years were:

1922	$475,000
1923	676,000
1924	552,000

During the past year, a $25,000,000 issue of first mortgage, 30 year bonds was sold to provide for plant extensions. Although this will take care of the financing for some time, it is not to be thought that further stock issues will not be made because of this bond issue.

During the past year, the installation of automatic telephones has been proceeding in Montreal and Toronto. As this new system becomes more generally in use, the beneficial effect should be seen in the operating costs. The average daily number of long distance messages rose from 38,000 in 1923 to 42,000 in 1924.

The general idea that the telephone is a necessity has become so widespread and generally accepted, that it would seem to augur well for the future earnings of the company, be the business conditions good, bad or indifferent.

The automatic system has been installed in the city of Quebec and serves 4,000 telephones. At the end of 1924, 47,000 automatics had been installed by the company. This number has shown a rapid growth since that date.

Capitalization—

	Authorized	Outstanding
Capital stock	$75,000,000	$46,684,294

Funded Debt—

5 per cent. bonds due April 1, 1925; interest 1st April and October, Montreal or London, $11,250,000; 7 per cent. bonds due April 1, 1925; similar dates and terms of payment, $5,500,000.

Dividend Record—

8 per cent. per annum paid regularly since 1886.

Officers and Directors—

L. B. McFarlane, chairman of the board; C. F. Sise, president; K. J. Dunstan, vice-president; W. H. Black, secretary; F. J. Jones, treasurer; E. Palm, comptroller; Hugh Paton, F. W. Molson, W. F. Angus, Geo. Caverhill, H. B. Thayer, E. K. Hall, Thos. Ahearn, G. H. Thomson, Glyn Osler.

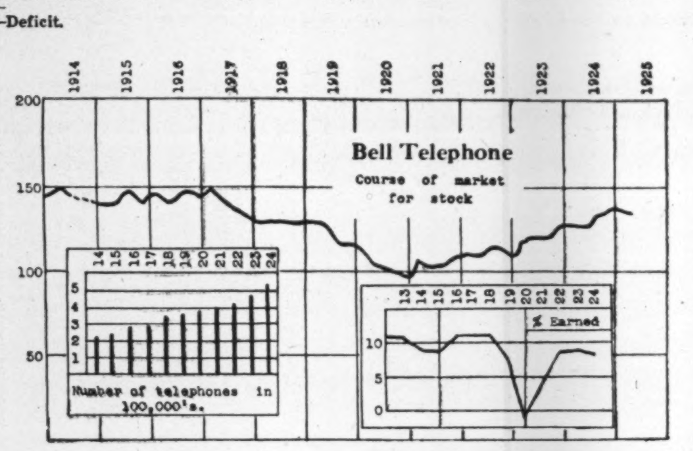
Market Record—

	Stock		Bonds	
Year	High	Low	High	Low
1912	176½	145	104	99¾
1913	173	138	101¼	96
1914	159¾	140	100	97½
1915	159	140	100	96½
1916	152	143	100¼	97
1917	150	129	99½	92¾
1918	132½	128	93½	87¼
1919	133	110¾	96¼	91
1920	111¼	100	93	90
1921	112	99¼	93½	91¼
1922	120¼	103	98	94
1923	128¼	112	99½	99
1924	140	125	100½	98¾
1925 to date	138⅛	133	98⅛	98¼

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross earnings	$14,367.229	$17,176,864	$18,796,356	$20,454,295	$22,921,590	$24,927,893
Oper. exp., etc.	12,213,905	16,295,341	16,519,935	16,484,983	18,044,455	19,907,941
Net earnings	$ 2,153,324	$ 881,523	$ 2,276,421	$ 3.969,312	$ 4,877,135	$ 5,019,952
Interest	670,208	913,484	1,168,800	1,035,644	1,067,175	1,252,854
Dividends	1,440,000	1,800.010	1,883,630	2,457,740	3,135,920	3,215,039
Employees' fund	......	......	......	......	200,000	......
Surplus	$ 43,116	*$1,831,971	*$ 776,009	$ 475,928	$ 474.037	$ 552,057
Rate of % earned	7.60	def.	4.70	9.15	9.5	9.0

*—Deficit.



THE STORY OF 44 YEARS

Year	Gross Rev.	Gross Exp.	Miles Long Dist. Wire	Telephones in Service
1880	$ 29,670	$ 18,617	......	......
1885	362,828	204,828	3,000	9,614
1900	1,614,262	1,229,977	21,350	38,360
1905	3,517,595	2,615,276	37,082	78,195
1910	5,510,685	3,963,559	54,133	133,910
1915	9,634,673	7,412,688	79,908	242,784
1920	17,176,863	16,295,341	102,187	376,361
1922	20,454,294	16,484,982	104,551	434,223
1923	22,921,590	18,044,456	107,317	486,241
1924	24,208,411	18,671,614	120,735	536,848

Great Northern

A New Development Situated in the Central Mining District of Northern Ontario

This company met with considerable difficulty in disposing of its power production with the consequence that the last bond interest payments were not met. As far as the investor is concerned, he is interested only in the future of the company's bonds. This is the situation. The company was formed with the idea of distributing power in the central mining districts of Northern Ontario. For some reason, this section of the mining fields has not made the rapid progress which has been seen in the other mining areas of the north. For the future it would appear that this section of the country must progress, for the ore is certainly there. All indications point to the fact that this part of the country can not fail to grow.

Aside altogether from the intrinsic value of the properties which the company owns, it is understood that over $1,500,000 has been spent on the development—this fact should be heartening to the bondholders who have lent but $850,000 on the project.

The company has acquired under lease from the Province of Ontario three power sites, capable of developing over 25,000 h.p. Two of these powers are located on the Montreal River and the third on the Frederickhouse River. These sites can all be economically developed and due to their central location are within easy transmission distances of the most important mining camps in the district. In many parts of the territory no power of any kind is available; in others, power generated by steam costs from $300 to $500 per h.p. per year. A hydro-electric plant with two units of 2,150 h.p. each has been completed and put into operation. This plant can be enlarged to an ultimate capacity of 6,500 h.p.

A protective committee is being formed to look after the interests of bondholders which has passed its bond interest payment due May 1. This company was originally known as the Matachewan Power Company, and was floated by interests associated with the Porcupine-Davidson mining properties. Later it was taken over by a Montreal group, but it has met with difficulties from the start, an important customer closing its mine and some prospects going to other plants.

The company has $850,000 in 7 per cent. sinking fund gold bonds outstanding. The bonds were issued in November, 1922, mature November, 1937, and are secured by a first mortgage on all the company's properties. The Montreal Trust Company is the trustee for the bondholders but no action can be taken by them under the terms of the mortgage for the next 30 or 60 days.

Night Hawk, Peninsular Mines and Porcupine-Davidson were the company's largest customers. Development is being pushed aggressively on the Night Hawk, but Porcupine-Davidson has been closed down for the past year. A line was constructed into the Matachewan field but never put into use.

It was understood at one time that Great Northern was to be included in the merger of Great Northern Ontario power companies and it is quite possible, in the event of the properties being put up for sale, the Canadian Northern Power Company will be the purchaser.

Capitalization—

Authorized	Outstanding
$2,000,000	$2,000,000

Funded Debt—

First sinking fund gold 7 per cent., due 1937, $840,000.

Dividend Record—

None.

New power installations in Quebec in 1924 included those of the St. Regis Paper Co., near Godbout, on the lower St. Lawrence, 600 h.p., the town of Buckingham, 600 h.p.; the town of Bagotville in the Lake St. John district, 1,350 h.p.; the town of Jonquiere in the same district, 1,800 h.p., and an addition of 7,500 h.p. to the plant of the Ottawa and Hull Power Co. at Chaudiere Falls on the Ottawa River.

C. Breton Electric

Handles Business of Sydney, N.S., and in Addition Operates Ferries and Inter-Urban Line

Despite the continued business depression in the Maritimes and a falling off in gross earnings, the Cape Breton Electric Company were able to show a continuous increase in net income in 1924.

The shareholders in 1902 authorized an issue of 5 per cent. first mortgage bonds, due in 1932, and sold $1,000,000 of them. A further portion of the issue was placed on the market recently. The company does the entire electric lighting and electric railway business in North Sydney, operates the electric railways between Sydney and North Sydney, between North Sydney and Sydney Mines and between Sydney and Glace Bay; owns $220,000 of the $355,000 outstanding first mortgage bonds of the Sydney and Glace Bay Railway, in addition to owning the capital stock, and also owns the Sydney Mines Electric Railway's capital stock.

The company has made slow but steady progress in its gross earnings, but operating expenses have increased at a rapid rate and the company is not yet entirely out of the woods. It is operated under the executive management of Stone and Webster.

Capitalization—

	Authorized	Outstanding
Common	$1,125,000	$1,125,000
Pref. 6% Non-cumulative	500,000	314,000

Funded Debt—

First gold 5 per cent. due 1932, $1,096,000. Sydney & Glace Bay Rly. first gold 5 per cent., due 1932, $135,000.

Dividend Record—

Calendar year	Pref.	Com.
1907	6	..
1908	6	..
1909	6	..
1910	6	1½%
1911	6	4
1912	6	4+1
1913	6	6
1914	6	6
1915	6	3
1916	6	3
1917	6	3
1918	6	3
1919	6	3
1920	6	..
1921	6	..
1922	6	..
1923	6	..
1924	6	..

Officers and Directors—

A. Stuart Pratt, president; F. S. Pratt, vice-president; H. G. Bradlee, J. C. Rice, Allan Forbes, W. C. Forbes, W. Hunnewell, Jr., Russell Robb, H. B. Sawyer, treas.; N. H. Stone, E. S. Webster, V. D. Vickey, secretary; M. C. Smith, manager.

Profit and Loss—

	1922	1923	1924
Gross earn.	$ 626,238	$ 701,214	$ 662,905
Exp. & taxes	552,684	608,563	535,576
Net earn.	$ 73,554	$ 92,651	$ 127,329
Interest	67,196	67,781	68,407
Pref. div.	18,840	18,840	18,840
Balance	*$ 12,482	$ 6,030	$ 40,082
Charges to res. and surplus	22,765	† 1,347	6,123
	*$ 35,247	$ 7,377	$ 33,959
Retire. res.	24,400	24,400	34,400
	*$ 59,647	$* 17,022	$* 441
Prev. sur.	330,431	270,783	255,761
Surplus	$ 270,784	$ 253,761	$ 253,320

*Deficit.
†Credits.

Maritime Telephone

For the First Time Experienced a Slight Reduction in Earnings in 1924

For the first time in ten years the gross revenue of the Maritime Telephone and Telegraph Company showed a falling off. However, when the dull times of the lower provinces are taken into consideration, a drop of only $55,000 in gross revenue, which totals approximately $1,500,000, should be considered a fairly creditable showing, more especially when it is remembered that the net gain in the number of telephones in use during last year was largely in the rural districts, where both installation and upkeep charges are high.

As in the case of other Nova Scotia public utilities this company is entitled to earn its some 8 per cent. on the value of its undertaking after the payment of all reasonable expenses. The company fell short of this goal in the last two years, but it is hoped that the company in the future will be able to earn a sum nearer to that which they are legally entitled at the present time.

The company operates the telephone system in the province of Nova Scotia and has a close affiliation with Bell Telephone Company of Canada. It also owns the Eastern Telephone and Telegraph Company, which company owns and operates the telephone system in the neighboring province of Prince Edward Island.

Capitalization—

	Authorized	Outstanding
Pref. 6% Series "A"	$1,000,000	$1,000,000
Pref. 7% Series "B"	2,000,000	1,500,000
Common	1,000,000	850,000

Funded Debt—

	Authorized	Outstanding
1st mtg., 6's, due 1941	$1,500,000	$1,500,000
Refund. mtg., 7's due 1945	1,000,000	1,000,000

Dividend Record—

Dividends on pref. "A" and "B" have been paid regularly, quarterly.

Initial quarterly com. dividend of 1% was paid for quarter ended June 30, 1912, and continued to July 1, 1913, when the rate was increased to 1½% quarterly.

Directors—

O. E. Smith, president; G. E. Faulkner, vice-pres.; J. H. Winfield, A. MacKinlay, E. L. Macdonald, G. F. Pearson, Halifax, N.S.; C. F. Sise, L. B. McFarlane, Montreal; Chas. H. Mitchell T. N. Goudge, sec-treas.; W. R. Hayes, gen. manager; C. A. B. Bullock, comptroller.

Profit and Loss—

	1922	1923	1924
Receipts	$1,487,712	$1,531,470	$1,477,025
Expenses	1,030,824	1,048,418	994,800
Balance	$ 456,888	$ 483,052	$ 482,225
Taxes	76,178	80,169	82,208
Net earn.	$ 380.710	$ 402,883	$ 400,017
Interest	139,566	152,931	156,696
Net profit	$ 241,144	$ 249,952	$ 243,321
Amor. of Disct. on Sec. and tax adjust.	30,740	31,162	32,636
Balance	$ 210,404	$ 218,790	$ 210,685
Prev. Bal	20,783	15,186	17,976
Balance	$ 231,187	$ 233,976	$ 228,661
Dividends	216,000	216,000	216,000
	$ 15,187	$ 17,976	$ 12,661

Nova Scotia Trams

Quiet Business Conditions Have Had But Little Effect on Company

The Nova Scotia Tramways and Power Co. was incorporated in 1914 for the purpose of acquiring the Halifax Electric Tramways Co. The company owns and operates without competition the tramways, lighting, power and gas in the city. Through a subsidiary, is controlled the light and power business of Dartmouth.

During the last four years, gross earnings of the company have fallen off, due to the quiet business conditions prevailing in the Maritimes. As a result of an increase in the charges for tramways and gas services from June 1, 1924, some benefit accrued to the company, but due to a ruling of the Nova Scotia Board of Commissioners of Public Utilities which came into effect on May 1 of last year, the increased benefits from the tramways and gas departments were more than offset by the decrease in power rates ordered by the commissions. The report for last year's operations shows a margin of $59,194 over interest requirements before allowance for depreciation. During the year the company came under control of interests close to the Royal Securities Corporation.

Capitalization—

	Authorized	Outstanding
Common	$3,500,000	$2,510,000
Preferred	2,500,000	2,078,800

Funded Debt—

Firt mortgage, 5% 30-yr. bonds, due 1946	$2,250,000
General mortgage bonds 30-yr., 7%, due 1952	1,500,000

Dividend Record—

3% paid July, 1917, July, 1918, Jan. and July, 1919. Jan., 1920, and subsequent dividends deferred.

Officers & Directors—

L. Killam, president; W. H. Covert, K.C., vice-president; Alex. J. McAllister, A. S. Pratt, H. E. Mahon, W. C. Pitfield, W. B. Milner, G. MacGregor Mitchell, C. J. Hayes, secretary; A. W. Wentzell, treasurer.

Profit and Loss—

	1922	1923	1924
Gross earn.	$1,419,471	$1,393,980	$1,299,371
Oper. ex. and taxes	1,098,785	1,076,282	1,022,237
Net earn.	$ 320,686	$ 317,698	$ 277,134
Interest and Amortiz.	207,648	218,034	217,940
Surplus	$ 113,038	$ 99,663	$ 59,194

Active Markets Maintained in—

Alabama Traction, Light & Power	5%	1962
Bell Telephone	5%	1955
Cedar Rapids Mfg. & Power	5%	1953
Canadian Light & Power	5%	1949
Duke Price	6%	1949
Dominion Power & Transmission	5%	1932
Georgia Light, Power & Rwy.	Common	
Laurentide Power	5%	1946
Montreal Light, Heat & Power	5%	1933
Montreal Light, Heat & Power	4½%	1932
Montreal Tramways	5%	1941
Montreal Tramways	5%	1955
Mexican Light & Power	5%	1940
Mexican Electric Light	5%	1942
Manitoba Power	7%	1941
Northern Mexico Power & Dev.	Common & Preferred	
Northern Ontario Light	6%	1931
Quebec Power	6%	1953
St. Maurice Power	6½%	1953
Shawinigan Water & Power Bonds	(All Maturities)	
Southeastern Power & Light	Common & Preferred	
Winnipeg Electric	6%	1954

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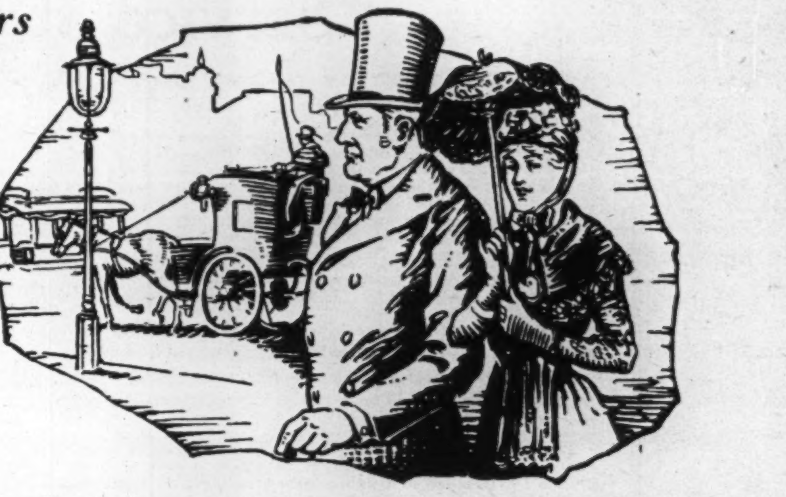


Our Forty-fifth Birthday!

THE telephone has been an important factor in bringing about the changes that have taken place since April 29th, 1880, when the Company was incorporated by special Act of Parliament.

At the end of its first year The Bell Telephone Company of Canada had 2,100 telephones in service. By 1890 the number had increased nine times—to 19,350. By 1900 that number had doubled—38,360. Again by 1910 even that total had multiplied almost four times—to 133,910. By the end of 1920 the number of telephones had increased to 377,000—almost three times as many as at the close of the preceding decade.

Now, on the Company's 45th birthday, there are more than 545,000 Bell Telephones in Ontario and Quebec, and over thirteen thousand employees. For every telephone in service forty-five years ago there are now over 250. The total assets of the Company in 1880 were $403,324.37. On Dec. 31, 1924, they were $96,881,698.81.

By thus multiplying the opportunities for communication the telephone immensely increases the field of man's activity. The value of the service is increased by each additional telephone installed.

FRANK KENNEDY
Manager.

THE BELL TELEPHONE COMPANY OF CANADA
LONG DISTANCE TELEPHONE

Ottawa "Power" Company

Better Competitive Conditions Give the Prospect of Increased Earnings in 1925 — Company in Strong Position to Take Advantage of Increasing Demands

A good method for the shareholders to pursue in order to obtain the true position and earning power of the Ottawa Light, Heat and Power Company is to compare the balance sheet of the company from year to year. Due to the company's conservative policy of placing as much as possible to the credit of reserves of various kinds, the profit and loss account reveals but little. For instance, last year, if depreciation were taken into account, the company earned a little less than dividend requirements, but the gradual building up of the liability side of the company's balance sheet with reserves tells the reverse tale and shows that the company's earnings from year to year have always been well in excess of the dividend requirements. It has always been the policy to transfer from profit and loss account into reserves as much as possible annually. For instance, the amount transferred at the end of 1924 to depreciation was very generous. One other factor about depreciation of this company is of interest. Here is a concern which has water power sites situated in the heart of a growing city. It would seem that there is appreciation rather than depreciation here.

Comparison of yearly balance sheets shows that from year to year the company has steadily built up its reserves and the position it now occupies should prove very satisfactory to its owners.

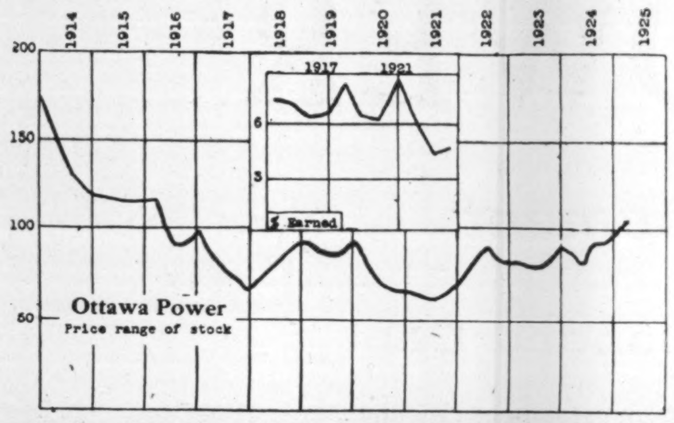
The company has been forced to meet rates of its competitor the local hydro electric system. These rates were unreasonably low and caused both the hydro and the company loss. Recently the hydro has been ordered to raise its rates by the provincial commissioners, and as a consequence, the Ottawa "Power" should show an increase in earning power when the rise finally is put into effect.

During the past year there have been considerable additions to generating and distributing systems, principally by the electric company, in order to meet the demands of service and for greater economy. These additions, amounting to $268,925.58 cover principal requirements for many years to come.

A satisfactory contract, dating from the first of the year, for the supply of additional power has been entered into with the Ottawa River Power Company, which will ensure a sufficient quantity of power for the company at a favorable price. This further power supply is sufficient to provide for the expansion of the business in years to come.

Up to the end of 1924, practically all the company's requirements were supplied by their own plant at Chaudiere Falls in the Ottawa River, but the growth of its business has absorbed all the supply. Hence the advantage to the company in obtaining a new source of power supply.

The company has three hydro plants with aggregate installed capacity of nearly 13,000 horse-power. It also owns a reserve steam plant of 6,500 horse-power. It has some 1,150 miles overhead wires and about 18.2 miles of underground conduit. The electric company owns valuable Ottawa real estate and the parent company has 20,000 customers. The gas company operates a combined coal and water gas manufacturing plant, with daily capacity of 1,500,000 cu. ft. of coal gas and 1,000,000 cu. ft. of water gas, distributed to more than 17,000 customers through 152 miles of mains.



Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$3,500,090
Preferred 6½%...		1,500,000

Funded Debt—

Ottawa L. H. & P. 6% 1953	$ 650,000
Ottawa Electric 5% 1933 ..	625,000
Ottawa Gas Co. 5% 1934..	150,000
Ottawa Gas Co. 6% 1939..	736,340
Total bonds outstanding...	$2,211,340

Dividend Record—

Year		Year	
1908	5%	1916	6%
1909	5	1917	6
1910	6+2	1918	6
1911	7+1	1919	6
1912	7+1	1920	6
1913	8+2	1921	6
1914	8	1922	6
1915	7½	1923	6
		1924	6

On pref. 6½% was paid in 1924.

Officers and Directors—
Thos. Ahearn, president; F. E. Bronson, vice-president; A. A. Dion, general manager; H. H. Horsey, W. Lyle Reid, T. Workman, W. C. Pitfield, Abner Kingman, Geo. F. Henderson, K.C., J. F. Ahearn, D. R. Street, sec.-treasurer.

Market Record— Common—

Year	High	Low
1913	192	143
1914	172	123
1915	123	120
1916	120	92
1917	95	69¾
1918	86	69
1919	87	75
1920	81	70
1921	72½	60
1922	96	70
1923	92½	79½
1924	100	81
1925 to date.. ..	105	96½
Preferred—		
1924	104	99
1925	105½	101

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Gross revenue	$1,237,129	$1,459,308	$1,652,051	$1,685,381	$1,718,403	$1,720,841
Expenses	882,932	1,068,888	1,108.673	1,140,847	1,171,680	1,060,856
Taxes	....	....	....	....	....	104,334
Net rev.	$ 354,197	$ 390,420	$ 543,378	$ 544,534	$ 546,722	$ 555,650
Bond interest	99,962	129,792	185,980	189,935	174,159	120,852
Other interest	23,263	31,928	37.136	30,172	32,840	4,575
Net profits	$ 230,971	$ 228,699	$ 320,261	$ 324,428	$ 339,723	$ 430,223
Prev. surplus	114,525	123,983	128.089	221,830	225,663	146,796
Dividends	209,983	210,000	210,000	210,000	229,772	307,500
Bad debts	11,529	14,593	16.520	16,854	....	....
Deprec.	....	....	....	93,741	97,574	109,951
Income tax	....	....	....	....	25,580	17,771
Tax adjustment	....	....	....	....	65,664	......
Balance	$ 9,459	$ 4,106	$ 93,741	$ 3,833	*$ 78,867	*$ 4,999
	$ 123,984	$ 128,089	$ 221,830	$ 225,663	$ 146,796	$ 141,797

Calgary Power

If Government Does Not Undertake Development, Will Soon Expand

The chance of the Calgary Power Company to get permission to develop more power at Spray Lakes remains still uncertain. The province is undecided as to whether to build its own plant or to grant a permit to private capital to proceed with the enterprise. The company are willing to go on with the undertaking and to hand it over to the government at reasonable terms as soon as the latter desires to absorb the project.

In the meantime the city of Calgary is clamoring for more power. The company's contract to supply the city with power expires in 1930.

Practically all the output is sold direct to the city, only a few large industries being served direct. Earnings have been on the increase.

With regard to the development at Spray Lakes, the point has now been reached for either the government to proceed with the work or for the company to do so. Somehow or other the government, in view of its experiences in public ownership, does not look with particular favor on assuming further obligations in that direction. It is probable that an arrangement will eventually be reached whereby the Calgary Power Co. will proceed with the scheme under a franchise for a certain number of years, and for it to be afterwards taken over by the government at a valuation. Competent engineers state that a large amount of power can be obtained.

Capitalization—

Authorized	Outstanding
$3,000,000	$1,900,000

Funded Debt—
First sinking fund gold 5 per cent., due 1940, $2,876,686.

Dividend Record—
None.

Officers and Directors—
V. M. Drury, president; E. R. Wood, A. E. Cross, R. B. Bennett, I. W. Killam, H. A. Lovett, S. B. Hammond, sec.

Market Record—

	Common	
Year	High	Low
1918	30	27
1919	30	22¾
1920	22½	15
1921	6¾	1
1922	7½	5
1923	15½	4
1924	22¾	55½

1922 and 1924 quotations from London, as there has been no dealing in Montreal.

Profit and Loss—

	1921	1922	1923
Gross earn. .$	303,724	$ 306.807	$ 333.414
Oper exp. ..	64,684	61,978	67,338
Net earn. ..$	239,040	$ 244,829	$ 266,076
Interest	164,687	150,052	146,471
Surplus ....$	74,353	$ 94,777	$ 119,606

Developments in Every Province During 1924

Practically every province is represented in 1924 water power activities. Among these the most outstanding are the activities of the British Columbia Electric Railway Co. and the West Kootenay Power and Light Co. in British Columbia, the city of Winnipeg in Manitoba; the Ontario Hydro Electric Power Commission, the Hollinger Consolidated Gold Mines, the Canadian Niagara Power Co. and the Backus-Brooks Co. in Ontario; the St. Maurice Power Co., the Montreal Light, Heat and Power Consolidated, the Northern Canada Power Co., the Ottawa River Power Co., the Southern Canada Power Co. and the Duke-Price Power Co. in Quebec; and the Nova Scotia Power Commission in Nova Scotia.

Can. Northern Power

A Holding Company Only—Chief Assets Consist of Shares in Northern Canada Power Company

Formed in the late summer of 1924, the function of the Canada Northern Power Corporation is that of a holding company. The principal source of revenue is supplied through control of 90 per cent. of the common stock of Northern Canada Power Co.

The issue of $3,500,000, 7 per cent. cumulative preferred shares in the new company carried a bonus of three shares of common for every ten preferred shares purchased. The subsidiary company operates four hydro-electric power plants with a present capacity of 50,000 h.p., and an ultimate capacity of 90,000 h.p. Three of these plants are located on the Mattagami River in Northern Ontario and a fourth on the Quinze River in the province of Quebec. The latter is the largest of the group and is at present developing 20,000 horse power, while the Wawaitin Falls plant on the Matagami develops 16,000 h.p. The other two are at Sandy Falls and Sturgeon Falls, developing 5,000 and 9,000 h.p. respectively.

The Quinze River plant has an ultimate capacity of 60,000 h.p. Any additional installation beyond the present 20,000 h.p. can be completed at a very low cost per horsepower, owing to the fact that the major portion of the work has been completed.

Net earnings for 1924 of the subsidiary company, after payment of operating expenses and all other charges, amounted to approximately $330,000. This amount was available to meet the $245,000 of bond interest on the Canada Northern Power Company's issue.

With the growth of the mining industry in the north assured, there is prospect of an increase in power sales of the company.

Capitalization—

	Authorized	Outstanding
Common .. .. .. (No par value)	75,000 shs.	35,000 shs.
Com. Pref. 7%	$7,500,000	$3,500,000

Earnings—
Gross earnings for year ending Dec. 31, 1924 (December estimated), $933,000; net earnings after payment of expenses, taxes, and bond interest, but before depreciation, estimated at $434,000.

Northern Canada

Recent Settlement With Hollinger Mines of Ranking Importance

The smoothing out of the dispute between the Hollinger Gold Mines and Northern Canada Power before the case went to the Privy Council, and which was accomplished during the past month, was a notable achievement for all concerned. From the viewpoint of the power company, it was of material importance. Hollinger is now using more power than all the other operators of the Porcupine district together. Had the action gone to the highest court in the land and the power company lost, and Hollinger gone ahead using its own power, the company would have been left with a heavy power output for which there would be no market for years. Besides a Hollinger victory would have undoubtedly carried with it large damages for losses which the large mine sustained when the company was unable to supply its full power needs, making it necessary for Hollinger to resort to the use of its steam auxiliary. The power situation has changed materially in the meantime. Northern Canada secured the des Quinze power from the Quebec government and along with its other plants is not only able to supply all the needs of its power customers in Northern Ontario now, but will be able to supply the mines of Northwestern Quebec. It has prospects of a large customer in the Noranda mines. It is operating the Horne in Rouyn and when the railway question is settled will likely go ahead with its smelter. This will create a heavy demand for power. Besides there are several other Quebec propositions that are coming along well and which will require considerable power.

Since Nesbit, Thomson & Co., secured control of the company, some reorganization plans have been put through. The most important of these was the issuance of $3,500,000 new preferred shares and the plan to redeem the outstanding bonds. The new financing was made elastic so as to allow for further absorptions and developments as the needs of the country develop.

Capitalization—

	Authorized	Outstanding
Stock .... (Par $100)	$6,000,000	$6,000,000

Funded Debt—

6½% first mortgage bonds, due 1938.	$4,500,000

Dividend Record—
One dividend at rate of 4% per annum was paid in 1920; none since.

Officers and Directors—
David Fasken, pres.; F. O. Blackwell, Vice-pres.; A. Fasken, sec.; J. H. Black, gen. manager; James Aitheson, J. Wright.

Profit and Loss—

	1924
Revenue	$934,860
Operating expenses	$171,751
Transfer fees	500
Interest	148,412
Depreciation	317,850
Taxes	11,000
Balance	285,347
	$934,860

International Utilities

The past year saw the entry of International Utilities, a strong New York holding company, into the Canadian utility field. It secured control of Canadian Western Natural Gas, Light, Heat and Power, better known as Calgary Gas and North-western Utilities, better known as Edmonton Gas. It holds 41,000 shares of the 80,000 issued of the Calgary Co., having secured the Sifton and Coste holdings. The company has an interest in a number of U. S. utilities that are on a good basis.

Since Pioneer Days—
Consistent Service and
Consistent Dividends

The Ottawa Electric Co.

With a present system which includes over 1,200 miles of wire, 18 miles of conduit, this company was the pioneer in the residential field of incandescent electric lighting in Canada. Power was first turned on in 1887.

The company own three hydro-electric plants and one steam plant and supply over 20,000 customers. Additional power is supplied, too, from other sources. The company for all these years has given unfailing service to its customers and the profits to the shareholders have been well maintained since its inception.

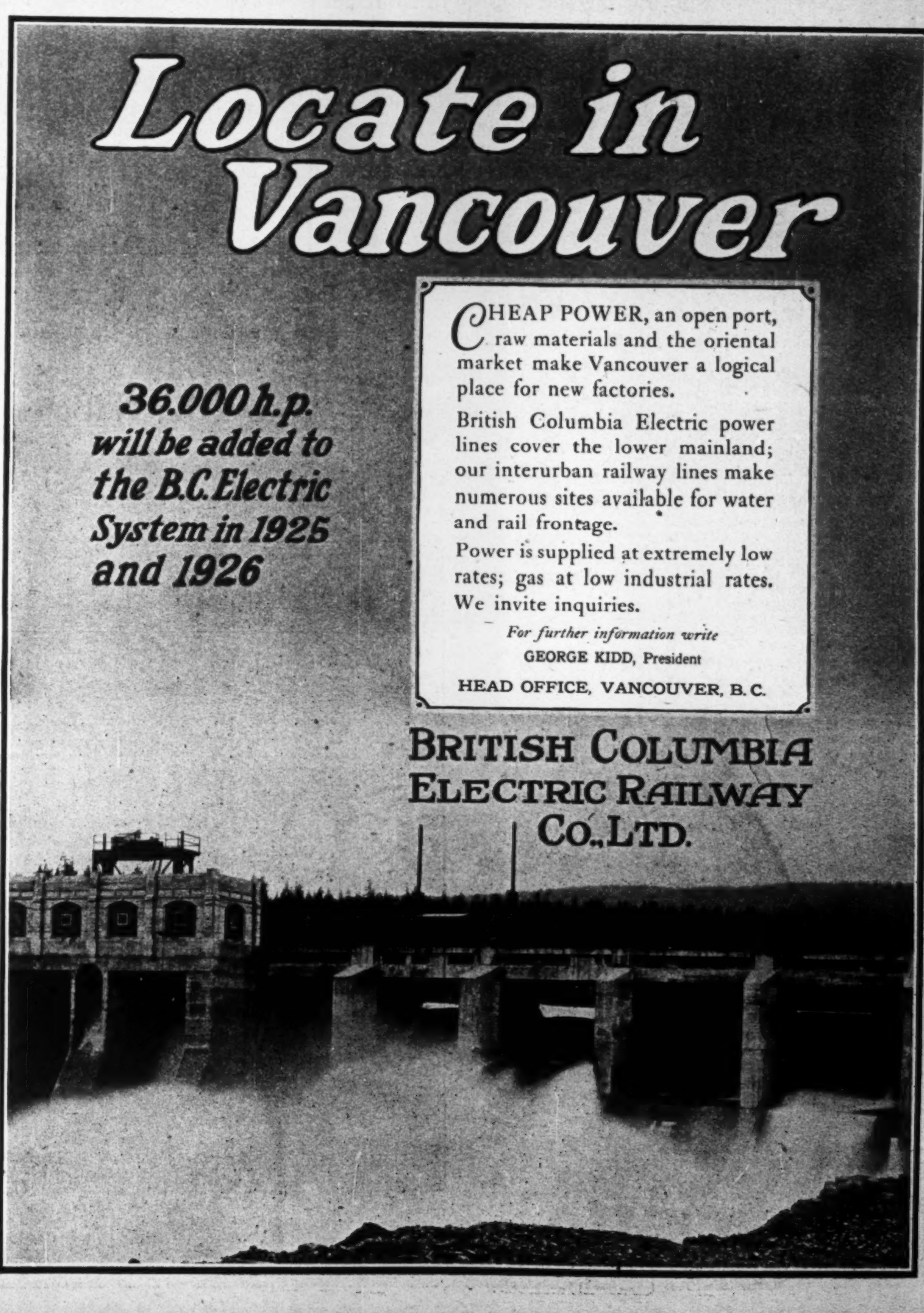
The Ottawa Gas Co.

Over seventy-one years ago the predecessor of this company began supplying Bytown, now Ottawa, with gas. In its unfailing service to the community for these many years the company has built for itself a tremendous asset of good-will which the company has not tried to measure nor to show on its books.

The company delivers to Ottawa citizens and corporations over 500,000,000 cubic feet of gas each year. Its 145 miles of mains connect with over 17,000 customers. This company also has a record of many years' consistent earnings.

Lying back of and owning both these successful companies is the Ottawa Light, Heat and Power Company Limited. First formed in 1906, this latter company was conceived with the idea of uniting under one executive management the City of Ottawa's most important utilities. Naturally, because of the two components from which its earnings are derived, it, too, has had a long, consistent dividend record.

The Ottawa Light, Heat and Power Co.
Limited


Locate in Vancouver
36,000 h.p. will be added to the B.C. Electric System in 1925 and 1926

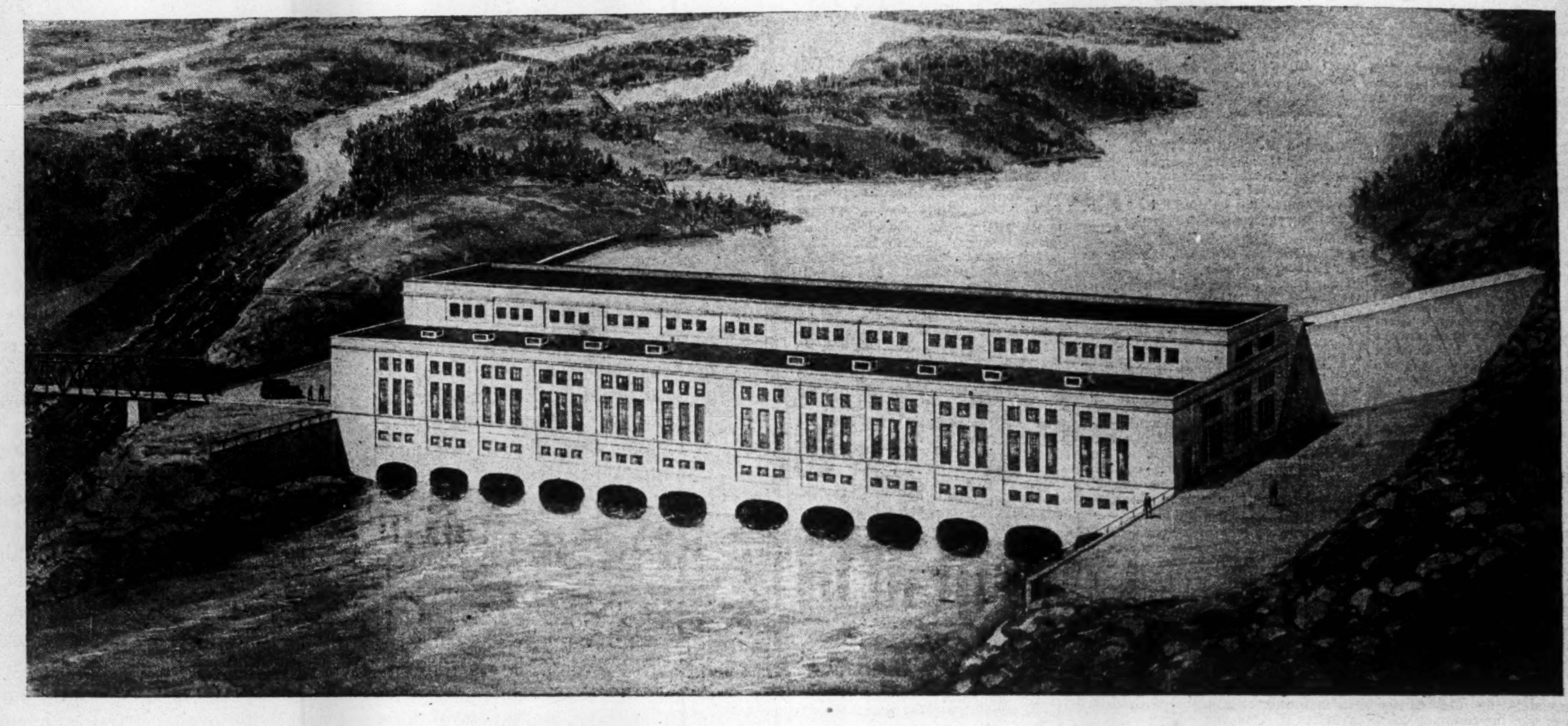
CHEAP POWER, an open port, raw materials and the oriental market make Vancouver a logical place for new factories.

British Columbia Electric power lines cover the lower mainland; our interurban railway lines make numerous sites available for water and rail frontage.

Power is supplied at extremely low rates; gas at low industrial rates. We invite inquiries.

For further information write
GEORGE KIDD, President
HEAD OFFICE, VANCOUVER, B. C.

BRITISH COLUMBIA
ELECTRIC RAILWAY
CO., LTD.



DUKE-PRICE POWER

A Gigantic Hydro-Electric Development

Property

The Duke-Price Power development is situated on the Saguenay River about eight miles below Lake St. John. This lake, with a surface area of 385 square miles and a drainage area of 30,000 square miles, forms a natural impounding reservoir permitting the storage of sufficient water to operate the plant at high capacity throughout the entire year.

The power stations, dams and spillways are of unusually substantial construction and the design is of the most efficient type.

Altogether the development may be considered unique among large Hydro-Electric situations.

Contracts

Price Bros. & Company Limited, one of the largest manufacturers of newsprint paper in the world, has contracted for 200,000 horsepower. The revenue from this contract alone is sufficient, after paying estimated operating expenses, to show interest earned on the outstanding bonds over 1¾ times.

Bonded Debt

The present development is 360,000 horsepower and the bonded debt of $12,000,000 is at the rate of only about $33 per horsepower, which is lower than that of any other comparable situation on this continent.

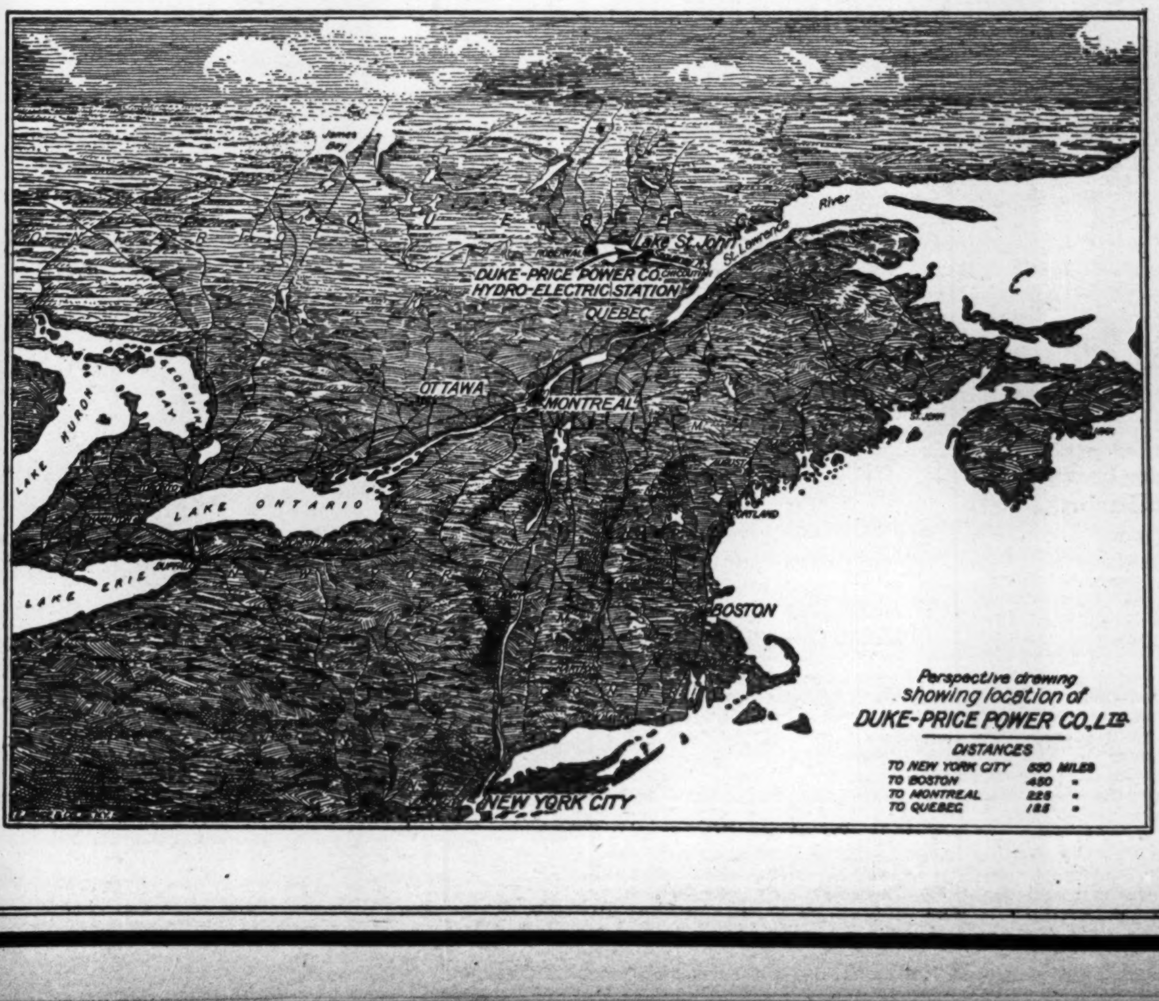
At very little additional cost the capacity of the plant can be increased to 540,000 horsepower and the estimated additional financing to cover this would reduce the bonded debt per horsepower to less than $26.

The public financing of this gigantic development was accomplished through the sale of $12,000,000 Twenty-Five Year 6% First Mortgage Bonds by The National City Company.

Full particulars of this issue and of the development may be obtained from:

The National City Company
Limited
Head Office - 205 St. James Street - Montreal

Unique
Natural
Conditions
—
Low
Cost of
Construction


James Bay
Lake St. John
St. Lawrence River
DUKE-PRICE POWER CO.
HYDRO-ELECTRIC STATION
QUEBEC
OTTAWA
MONTREAL
GEORGIAN BAY
LAKE HURON
LAKE ONTARIO
LAKE ERIE
BUFFALO
PORTLAND
BOSTON
NEW YORK CITY
Perspective drawing
showing location of
DUKE-PRICE POWER CO. LTD.
DISTANCES
TO NEW YORK CITY 550 MILES
TO BOSTON 450 "
TO MONTREAL 225 "
TO QUEBEC 185 "

This Development makes available in the province of Quebec an enormous amount of what is probably the lowest cost power on this continent.

Central Control of Public Utilities Making Strides

Over 75 Per Cent. of the American Companies Are Centrally Operated — Indications Point to Its Operation in Canada

THERE is one thing in connection with the power and public utility companies which is making itself especially noticeable at the present time. It is the trend of the various corporations in this field towards central ownership or towards central operation. In Canada, this movement might be said to be not very evident at the moment, but nevertheless it is coming—at least, that has been the experience of other countries and the benefits to be gained through it are so numerous that they completely outweigh anything which might be said against it.

The trend in this country is well exemplified by what might be called the Nesbitt, Thomson group of public utilities. This group which is composed of many companies stretching almost from coast to coast, includes, among others, Winnipeg Electric, Ottawa and Hull Power, Southern Canada Power, Ottawa-Montreal Power, Canada Northern Power, East Kootenay Power and Ottawa River Power. Although Nesbitt, Thomson and Company may not actually be in control of all these and other companies, yet the fact remains that they are extremely close to those who do control them, so it might be said that even now this group has one central interest. Incidentally it is of interest to note that the Nesbitt, Thomson interests recently incorporated a concern known as the Power Corporation of Canada. As yet, it has not been definitely given out what the function of this new concern will be, but it is understood that the company has been organized to either take over other concerns or to operate them under the guidance of their respective boards of directors. It is thought that the Power Corporation will have its own staff of engineers well equipped for the operation of older companies and for looking into the possibilities of new developments. If this is not to be the central operation of a group of public utilities, it is certainly a close approximation of it.

Other Operators in Field

Then, too, there is the Royal securities Corporation. Interests close to this company are identified with many public utility corporations, including Nova Scotia Tramways, Calgary Power, Newfoundland Light and Power and companies situated in Cuba and Central and South America; at the present time a subsidiary of the Royal Securities Corporation, the Montreal Engineering Company, is actually employed in the management of some of the companies with which Royal Securities are connected, and at the same time exercises a decided influence in the operation of others.

Finally there are companies like Jamaica Public Service Corporation and Cape Breton Electric Company, which are under the executive management of Stone and Webster, an American concern which operates, in all, about 50 utility companies. Incidentally, it is a delight to the eye of any financial writer to pick up the annual statement of either one of these companies for. accustomed as he sometimes is, to ploughing through meaningless remarks and statements of earnings which have been made up with but one idea of exaggeration in view, these statements are both compiled on the same pattern with the idea of showing. as clearly and as concisely as possible, the position and the earnings of the companies.

Many Advantages of Plan

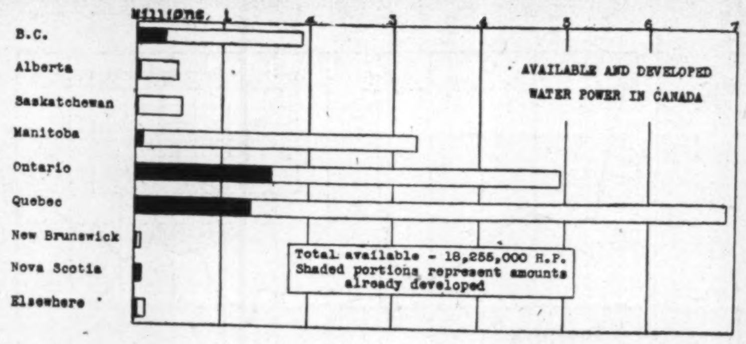
There are many advantages that go with the centrally owned or centrally operated public utility. The most obvious comes from the savings made possible through centralized purchasing. As far as the investor is concerned, one of the greatest advantages comes through the publishing, month by month. the earnings; in this way the shareholder does not walk into the annual meeting of his company with not the foggiest idea of what earnings have been during the year. There are some companies in Canada which make a regular practice of publishing monthly earnings—but there are not enough. The shareholders of, say, Winnipeg Electric, have a great deal more confidence in their directors when each month they have their clear statement of the earnings of the previous month compared with the corresponding period of the preceding year.

It was probably the 'nineties which first saw the central operation of utilities put into effect in the United States. At this time all these companies were in a bad way due to too many competing concerns, poor equipment, bad financing and no thought of future growth taken into consideration. It was probably the poor condition of many companies which first brought in the idea of central management. The idea took hold to such an extent that to-day at least 75 per cent. of the public utility industry in the States is in the hands of some form or other of centralized management. The system, too. is being used in other countries. England, Germany, France, Italy and Holland have evolved central management along lines somewhat similar to that in use in the United States. In the case of the managers of the Cape Breton Electric Company, there is no financial connection between the company and those who are employed in its operation. The case is simply this: The directors of the Cape Breton Electric said, "Here we have a company. Who is the most efficient operator we can find?" In looking for someone to run the company it was decided that Stone and Webster could manage it more economically and better than anyone else. So they were employed. The relation of the Cape Breton Electric to Stone and Webster is simply that between employer and employee.

It is a Money Saver

The operation of either holding companies or companies merely engaged in the actual work of management has put many dollars into the pockets of the shareholders of various concerns. For instance, the centrally managed street railways experimented until they had obtained the lightest car which would do the required work. The saving in power costs has been immense, from this angle alone, to many companies. Again, one man cars have saved thousands of dollars to the industry as a whole. They were first introduced and perfected by the operating company in the States.

There are myriads of things which can be accomplished through central ownership or central management which the individual corporation would find it impossible to do alone. For instance, take the value of a central department organized to take care of the public relations of the constituent companies. Again the savings to be made through a central legal department could not be measured. The advantages of co-operative buying have already been mentioned and finally there is the inestimable value to be obtained through co-operation on the part of the various companies.



In the graph above are recorded Canada's power resources amounting to 18,255,000 horsepower. Of this amount, 3,569,275 h.p., or 21 per cent. has been developed.

These figures of available horsepower are a conservative estimate and may be said to represent the minimum of horsepower available. They are based on the minimum flow of our rivers and the power is worked out at 80 per cent. efficiency—results show that plants in operation develop a much higher percentage of power than the ratio on which these figures are calculated. Again, there are sources of power, at present situated too far north to permit of their economic development and which are not included in these figures.

Many rapids and falls scattered from coast to coast have a six months' flow, more than sufficient to develop power; for the remaining six months, it is possible that either steam power or storage might be utilized, so that perhaps the better method of showing the available horsepower of the Dominion is the quoting of the possible development as shown in this table:

AVAILABLE 24-HOUR POWER AT 80 PER CENT. EFFICIENCY

Province	At ordinary min. flow h.p.	At ordin'ry 6-months flow, h.p.	Turbine Instal't'n. h.p.
Brit. Col.	1,931,142	5,103,460	355,722
Alberta	475,281	1,137,505	34.107
Saskatchewan	513,481	1,087,756	35
Manitoba	3,270,491	5,769,444	162,025
Ontario	4,950,300	6,808,190	1,585,182
Quebec	6,915,244	11.640,052	1,308,106
New Brunswick	50,406	120,807	44,656
Nova Scotia	20,751	128,264	63,957
Prince Edward Isl.	3,000	5,270	2,276
Yukon & Northwest Territories	125,220	275,250	13,209
Canada	18,255,316	32,075,998	3,569.275

The actual water wheel installations throughout the Dominion average in their production some 30 per cent. more than the available horsepower as calculated in the table, so that, while the figures shown under ordinary minimum flow stand at 18,255,316, yet 30 per cent. might well be added to this figure: also 30 per cent. may be added to the figures indicating the ordinary six months' flow. In this way the total power resources may be taken as 41,700,000 h.p.—the amount already developed stands, therefore, at 8½ per cent. of this total.

Conservation is Taught By Results Elsewhere

Other Countries Give a Lead to Canada — Export of Power Would Hit Where It Hurts the Most — The Pocket — Who Exports Power

Almost from the beginning of history, the growth or degree of civilization of a race can be determined by their development and application of power—at first it was man power, then animal, then power through the principle of leverage and finally water power. Strife, either actual warfare or the struggle for industrial leadership, has compelled nations through the centuries to seek for more efficient methods of improving production. In Canada this more efficient method is at our doors in the hundreds of streams, lakes and rivers which we are fortunate enough to possess.

In the recent disputes centring on the export of power, one side says, "no industry will come to Canada through the proximity of and cheapness of hydro electric power. Power is but a small factor in production costs, also, we can never utilize the power we have." As to the latter half of the statement, no one can definitely say that we shall not be able to utilize our resources; for even admitting that we have more power than we shall ever require, why should others be allowed to step into Canada and develop our more efficient powers, while to our own people are left the bare husks of the remote and smaller waterways which naturally are more costly to develop? As to the statement of power being a small factor in production costs, this may or may not be true, but is it not well worth while retaining as many factors as possible in Canada which are favorable to industry. Take one industry alone. Pulp and paper. Surely the rapid strides made by what has now become a giant industry are to a large degree attributable to our abundant power resources?

Other Countries

Perhaps it may make a more lasting impression and convey more of what we possess in Canada if a glance is taken at what is occurring in other countries.

To-day the United States with less than 10 per cent. of the world's population produces and employs in its factories, mills and mines nearly one-half of all the power now utilized in the world. Power has not made the U. S., but on the other hand, the U. S. has not made power; it was an intrinsic part of the country and it must be admitted that it has helped greatly in the building of that nation.

Italy, too, holds many things of interest to the holder of hydro-electric shares. Many developments show to what lengths the Italians will go to obtain an added few horsepower to their almost vanished undeveloped supply. In addition to the intensive employment of plains, hills and mountains, the Italian has now begun to use the high peaks of the Alpine and Apennine heights, working industriously to save and catch in reservoirs, built high up in the mountains, the great supply of water caused by condensation of the clouds that surround the summits. This water is carried perhaps miles away through tunnels and steel pipe lines and down descents of thousands of feet to turn hydraulic machinery for the generation of electricity to be used for motive power, lighting, traction, and even for heating purposes.

These reservoirs are quite different from the large, shallow, low-lying lakes which we associate with water power in the eastern section of this country.

Saves all Waters

The Italian engineer is not satisfied, however, with merely collecting the water from the natural draining area above his Alpine reservoirs, for one may often see little concrete curbs fastened to the almost precipitous sides of bare rocky peaks to serve the purpose of gutters for catching the rain which descends the cliffs and which, caught in the gutters, may be carried considerable distances and emptied into the storage reservoirs. The drainage areas of such Italian plants are small compared with those with which we are familiar in our low head developments.

In still another locality where there are two lakes at different levels, the water from the lower lake is pumped back into the upper lake during the night by power which is carried over transmission lines from distant plants, whose water would otherwise be wasted because of insufficient night load on the system to absorb all the energy from the night flow of streams. Then during the peak load hours of the day, the water from the upper lake flows down to the lower lake through the power station, helping to carry the peak load and permitting the station, which is near a great city, to serve several other useful purposes in connection with the improvement of service.

Other countries long ago realized the value of power resources, but Canadians have been slow to realize their natural advantages. Fifteen years ago the thought of the Hollinger Mine as it is to-day would have been laughed at; the same attitude persists with regard to power, despite the fact the next twenty years will see most of power sites in Southern Canada utilized.

Will Never Return

There is one final side to the question. Once the power is exported it will never return. If we build up communities on the American side of the border with Canadian power, the power will never be returned, treaties or no treaties. The proof of the pudding is in the eating—witness the Chicago water diversion. That water will never come back to the Great Lakes. The Americans are right. too—this country would be morally in the wrong if power were exported and communities and industries built up in the States, then suddenly the power were shut off. The time to stop the diversion of water from the Great Lakes was before the Chicago drainage canal was built and the time to stop the export of power is now. There's the question; it's now or never.

Reliable estimates by Hydro Electric Commission of Ontario engineers indicate that the power supply south of North Bay in Ontario will all be in use in 16 years. Estimates of Southern Quebec go to show that the power will all be in use in the southern parts of the province in 30 years. Even these figures probably are ultra-conservative in the same way that all past efforts to forecast the amount of power which would be in use in this country at a given date have proved away below the mark. No prophesying in this connection has ever yet proven correct.

Yearly Licenses

Heretofore no embargo or tax has been laid upon the export of power. but it could be exported only under licenses granted by the Dominion government, and it has been the policy to grant licenses only from year to year. This restriction has discouraged the building of costly transmission lines. Recently movements to secure licenses for considerable periods. with a view to supplying power to the industries in the United States on a much larger scale. have stimulated an animated discussion. Strong opposition has been manifested to licenses over extended periods, but less to licenses for short terms. The Finance Minister in presenting his budget for the fiscal year 1925-26 included a recommendation for a federal export tax of $1.95 per horsepower per year. The amount of electrical energy exported in 1924 was 1,396,521,740 kilowatt hours, having an estimated value of about $14,000,000.

The power imported into Canada is negligible, a total of 2,378,471 kilowatt hours having been imported in the last fiscal year.

Our Power Exports

The Canadian government began, with the fiscal year 1922 to compile figures of power export from Canada. Since that date, Canadian exports of electrical energy have totalled as follow:

1922	861,574,793	K.W.H.
1923	1,055,973,750	K.W.H.
1924	1,396,521,740	K.W.H.
1924 (8 mos. to Nov.)	864,028,968	K.W.H.

It may be pointed out that 1924 broke all records in export of electrical energy from Canada. The current year is likely to end up with a smaller total of kilowatt hours exported, but this will be due more to curtailed industrial activity than any other cause.

To indicate the Canadian sources of power we export, the following table will be of interest. It shows the power exports of every Canadian generating company with American customers during the past fiscal year. Figures are also given of exports in the fiscal years 1923 and 1922.

THE ONTARIO AND MINNESOTA POWER CO.

K. W. H. output for export.

12 months to Mar. 31, 1925	11,921,200
Do., 1924	12,065,000
Do., 1923	8,606,760

THE WEST KOOTENAY POWER AND LIGHT CO.

K. W. H. output for export.

12 months to March 31, 1925	560,000
Do., 1924	545,600
Do., 1923	898,700

THE SHERBROOKE RAILWAY AND POWER CO.

K. W. H. output for export.

12 months to March 31, 1925	200
Do., 1924	14,400
Do., 1923	212,347

BRITISH COLUMBIA RAILWAY CO.

K. W. H. output for export.

12 months to March 31, 1925	631,562
Do., 1924	754,558
Do., 1923	467,353

HYDRO ELECTRIC POWER CO., OF ONTARIO

K. W. H. output for export.

12 months to March 31, 1925	485,183,000
Do., 1924	563,539,300
Do., 1923	399,772,050

CANADIAN NIAGARA POWER CO.

K. W. H. output for export.

12 months to March 31, 1925	311,592,066
Do., 1924	346,930,250
Do., 1923	244,948,750

CEDAR RAPIDS MFG. & POWER CO.

12 months to March 31, 1925	378,989,000
Do., 1924	425,304,000
Do., 1923	356,795,000

MAINE AND NEW BRUNSWICK ELECTRICAL POWER CO.

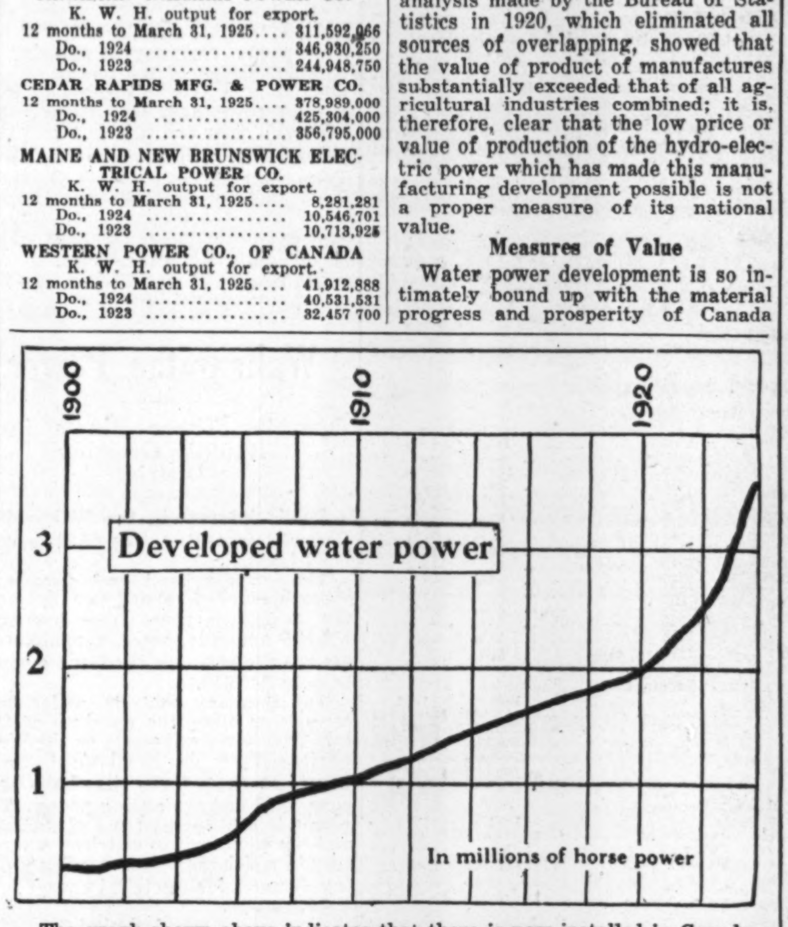
K. W. H. output for export.

12 months to March 31, 1925	8,281,281
Do., 1924	10,546,701
Do., 1923	10,713,925

WESTERN POWER CO., OF CANADA

K. W. H. output for export.

12 months to March 31, 1925	41,912,888
Do., 1924	40,531,531
Do., 1923	32,457 700



The graph shown above indicates that there is now installed in Canada a total of 3,569,275 horsepower developed by hydro-electric installations. The continued upward curve to the graph indicates what may be expected, say, ten years hence, and illustrates pointedly that any estimates as to our future development along these lines will not be very near the mark. In this connection, it is interesting to remember that prognostications made in the past by competent engineers have since been proven to be nowhere near the mark. Always has the development exceeded by large amounts, even the most liberal estimates ever given. At the present time competent power engineers and others in touch with the situation simply refuse to make any forecast as to the amount of power which will be developed in Canada in 1935.

Coal Gas Plants Are Increasing Their Output

Industry Quietly Expanding — Unaffected by Post-War Depression

THE gas manufacturing industry well merits the attention of the investor through its steady growth over a period of many years, covering many business ups and downs including the last war, which, it might be noted, had but little effect on this industry.

The manufacture of illuminating gas chiefly centres in the larger cities of the Dominion or in those sections of the country where manufacturing predominates. There are two usual types of gas made from coal for domestic use, straight coal gas and carburetted water gas. The former is the more economic gas to manufacture, for it provides valuable by-products. Water gas, on the other hand, employs a less complex plant to produce it. The operations of the gas companies continue to grow each year, but there is a paucity of investment interest in these companies due to the fact that most of the plants are either municipally owned or else, as is the case of the Consumers Gas Company, their earnings are restricted to a definite percentage on the capital invested.

Other Gases Made

As well as coal gas, other gases are manufactured in this country. Acetylene is often used in the prairie towns which are not large enough to warrant the erection of coal gas plants, or where the cost of hauling coal is prohibitive. Finally there is Pintsch gas. This product is manufactured mostly at divisional points on the railways, stored in cylinders and used in car lighting.

But to get back to the more important end of the business, coal gas. Coke, tars, light oils and many other commodities are by-products of this important industry. Also the production of these provides an incentive to plant enlargement by which the by-products may be the more economically recovered.

The burning of coke in domestic furnaces, the necessity of enriching the soil with nitrogen fertilizers, the large increase in refrigerating operations, and the extended use of tars and tar products have provided such additional markets for gas house by-products that some of the larger plants have been prompted to increase their output.

A few plants established in smaller towns, where it did not pay to instal equipment for the recovery of the by-products, have ceased operations because of the inroads of hydro-electric power. Nevertheless, gas has its particular uses in the industrial field as well as for domestic purposes and statistics show that this industry is gaining ground annually.

Number Almost Constant

The number of plants engaged in the industry varies only a little from year to year. The largest number of plants in operation during the five year period ending with 1923, was 52. This number were producing in 1920. At the end of 1923 there were 45 plants in all. These plants are distributed as follows:

Nova Scotia	1
New Brunswick	2
Quebec	4
Ontario	22
Manitoba	8
Saskatchewan	2
Alberta	1
British Columbia	5
	45

Of this total, 10 plants are engaged in the production of straight coal gas; both coal gas and carburetted water gas were made in 12 plants. Coal gas is prepared by the destructive distillation of bituminous coal, and water gas is made by the action of steam on coke or on anthracite coal. Straight water gas, being non-luminous is mixed or rather carburetted with gases which are rich in hydro carbons. This enhances both the heating and the lighting value of the gas. Many coal gas plants are also equipped to manufacture water gas in which process the by-product coke may be utilized.

The following table gives an indication of the steady growth of the gas industry:

Year	Number of plants	Capital employed	Expenditures: Wages and salaries	Expenditures: Miscellaneous expenses	Expenditures: Cost of materials	Expenditures: Total	Selling value of products	Value added by manufacturing
1919	39	28,185,654	2,683,679	1,252,423	6,112,354	10.048,456	11,967,264	5,854,910
1920	52	35,386,691	3,679,235	1,729,168	9,851,981	15,260,374	17.758,401	7,906,420
1921	50	37,097,280	3,984,976	2,041,374	9,279,697	15.306,047	18,772,285	9,492,588
1922	48	39,615,765	3,974,705	1,869,141	8,580,208	14,424,054	19,089,170	10,508,962
1923	45	45,526,495	3,801,832	1,768,574	9,024,084	14.594,490	19,605,340	10,581,256

SHRDLUS SHRDLU CMCM

NATURAL GAS—NO. 2—

Year	Number of firms	Number of wells	Capital employed $	Number of employees	Salaries and wages $	Miscellaneous expenses $	Selling value of products
1920	104	1,954	(a)	616	643,320	(a)	4,2[illegible],642
1921	103	2,021	30,368,478	885	882,907	1,405,222	4,5[illegible],164
1922	132	1,981	31,373,817	921	939,194	1,458,675	5,8[illegible],501
1923	192	2,006	38,722,854	867	1,050,366	1,789,097	5,8[illegible],618

(a) Data not available.

What Water-Power Means to Canada

(Continued from page 17)

ness. The cheaper it is the greater is the benefit to the country as a whole. Hydro-electric energy is a tool or implement for the production of manufactured goods and consequently the cheaper it is the lower is the cost of the manufactured product for home consumption and the larger the profit on the exported products.

Low priced hydro-electric power has been the vital and enabling factor in making possible the rapid growth of manufacturing industry in Canada, in spite of the competition of our more highly developed and populous neighbor; the capital invested in manufactures rose from $1,166,000,000 in 1911 to $3.211,000,000 in 1921 or 175 per cent. in 10 years and an analysis made by the Bureau of Statistics in 1920, which eliminated all sources of overlapping, showed that the value of product of manufactures substantially exceeded that of all agricultural industries combined; it is, therefore, clear that the low price or value of production of the hydro-electric power which has made this manufacturing development possible is not a proper measure of its national value.

Measures of Value

Water power development is so intimately bound up with the material progress and prosperity of Canada that its total benefit to the country is immeasurable. Better measures of its national value than that of its "value of product" or selling price. are, however, given by the annual value of coal saved and by the amount of capital invested in the water power industry.

The amount of water power now developed is 3,570.000 installed turbine horsepower. The now generally accepted figure for the coal equivalent of water power is nine tons per annum per installed horsepower and if this is taken at an average price of $9 per ton, the resulting value is $289,000,000 per annum. The great majority of the developed water power is used in the manufacturing and coal-less provinces of Ontario and Quebec, so that if the water power had not been developed most of this sum would have had to be sent abroad annually to pay for imported fuel. Without the water power, however, it is improbable that the same amount of manufacturing development could have been attained.

Capital Now Invested

The capital invested in the water power industry, including development, transmission and distribution, as computed by the Dominion Water Power and Reclamation Service, Department of the Interior, is now $767,000,000. That is a much greater amount than is invested in any other natural resource except agriculture and greater than the amount invested in any single manufacturing industry. Furthermore, it can be shown that the stability of this investment as a whole, both as to capital and interest, is greater than that of any other security including railroads and banks, except government securities.

It may, therefore, be justly stated that since the national value of hydro-electric energy lies in its low price for use in basic industries and manufacturing, its value of product or selling price is not a proper basis for consumption, and that its real national value lies in the hundreds of millions per annum rather than in the tens of millions.

Hamilton First City With High Tension Line

The year 1896 marks the date of first hydro electric development in Canada. At that time a group of Hamilton, Ontario, business men conceived the idea of harnessing the Decew falls and transmitting the power to Hamilton, a distance of about 25 miles. This effort was the first high tension transmission line to be erected in the British Empire. It is interesting to note that the plant is still in operation, its present owners being the Dominion Power and Transmission Company.

Brazilian Traction

Earnings for 1924 Show a Material Increase — Growth of Enterprise Shown When Comparing Earnings With Previous Years

Brazilian Traction shares, always a popular market issue from the time it was first listed, back in 1913, have attracted a great deal of attention during the past year. The company with its various subsidiaries has been enjoying a steady growth with a consequent increase in gross and net earnings. The annual report for 1924 is now in the course of preparation, but will not likely be available for some time as yet. However, from the remarks of Pres. Sir Alexander MacKenzie and a perusal of the earnings and cost figures as issued month by month, the conclusion is to be reached that the company in 1924 had a very excellent year.

Always speculative, Brazilian has the added speculative feature of being subject to the whims of Brazilian exchange. The country did not figure in the war, but it felt the punch of the war, in as much as the London money market was cut off during the war period and the country's expansion program had to be financed at home. This it did. Large amounts were spent on railway construction, etc., until a tremendous debt was piled up. To take care of a part of this, additional currency was issued with the result that the position of the country's money was weakened in the world markets. It has not, as yet, recovered from this. In addition there have been misunderstood and exaggerated rebel flurrier in the country which have had the tendency to weaken confidence.

All these matters have kept the position of milreis down. The fact seems to have been lost sight of that while the country's debts are heavy, the moneys were spent on permanent works, while the large debts of European countries are war waste. The significance of this situation is that the earnings of Brazilian coming from light, power, tramway and telephone services, all local utilities are paid for in milreis for the greater part. On the other hand, the bulk of the company's supplies must be purchased out of the country and all profits alloted to dividends must be exchanged into dollars. This means, with milreis fluctuating just above 10 that there is a considerable loss when it is recalled that before the war the milreis were worth 32 cents in Canadian money.

A rather good way to get a line on the growth of the Brazilian enterprise, however, is to compare the earnings of the present with those of a few years back at the then rate of exchange. Take the 1923 earnings of $24,184,761 when the milreis were worth 10.36 cents and figured at the 1918 rate of exchange 25.39 and the earnings would compare about as follows:

	Milreis	Dollars
1918	101,894,163	13,236,223
1923	234,046,074	59,324,280

Had the milreis been at par this year as was the case when the company's shares were first listed back in 1913 with a revenue of around $8,000,000, the 1923 income would have been over $70,000,000.

Shareholders are expecting a good statement for 1924, because of the optimistic statements to the president. The earnings statement compiled from the monthly reports on earnings, indicate that this is justified. These show an increase in gross earnings over 1923 of close to $3,000,000, but the improvement in exchange would be a factor in a part of this. Operating costs were nearly $1,500,000 while net earnings show a betterment of $1,300,000. The drop in July earnings was due to the Sao Paula rebellion.

The table follows:

	Gross Earnings		Operating Costs		Net Earnings	
	1924	1923	1924	1923	1924	1923
January	$2.128,185	$2,025,480	$ 783,115	$ 758,171	$1,845,070	$1,267,309
February	2,200,534	1,952,529	876,062	704,388	1,324,472	1,248,141
March	2,240,271	2,069,958	833,544	741,905	1,406,727	1,328,058
April	2,239,842	2,006,199	833,096	764,980	1,406,746	1,240,219
May	2.334,169	2,082,039	858,129	749,664	1,476,040	1,332,075
June	2,322,906	2,089,277	827,643	734,405	1,495,263	1,354,872
July	1,730,572	2,111,108	725,332	759.991	1,005,240	1,351,117
August	2,217,189	2,080,831	865,440	748,177	1,351,749	1,332,654
September	2,248,260	1,978,177	803.526	723,126	1,444,784	1,255,051
October	2,485,495	2,044,655	917,423	739,882	1,568,072	1,304,773
November	2,346,029	1,780,453	930,200	657,081	1,415,829	1,123,372
December	2,443,315	1,965,055	1,039,785	770,662	1,402,530	1,194,393
	$26,936,767	$24,184,761	$10,293,295	$8,852,432	$16,643,472	$15,332,329

Earnings of Brazilian Subsidiaries

Earnings of subsidiaries and of the services is shown below:

	Year ended December 31			
	1920	1921	1922	1923
Milreis average, N. Y.	20.41 cents	12.51 cents	13.09 cents	10.36 cents
Gross Earnings, Operation	$26,929,203	$21,036,150	$25,506,420	$24,184,761
Net Earnings, Operation	$14,286,039	$11,898,523	$16,299,229	$15,332,329
Miscellaneous Revenue	458.576	270,150	118,022	87,635
Revenue, All Subsidiaries	$14,744,615	$12,168,673	$16,417,251	$15,419,964
Bond Interest, General Exp. other Charges..	4,831,723	4,534,038	5,052,961	*4,654,988
Depreciation. Sinking Funds	2,876,068	3,224,578	3,941,393	4,047,040
Total Subsidiaries charges	$ 7,707,791	$ 7,758,616	$ 8,994,354	$ 8,702,023
Brazilian Traction Revenue	$ 7,036,824	$ 4,410,057	$ 7,422,897	$ 6,717,941
Other Income	206,619	127,657	450,064	792.518
Gross Revenue	$ 7,243,443	$ 4,537,714	$ 7,872,961	$ 7,510,459
Administration, including interest on 3-year Gold Notes which matured Nov. 1, 1922...	$ 988,320	$ 1,000,033	$ 720,993	$ 280,494
Amortization	260,000	300,000	300,000	300,000
Total Charges	$ 1,248,32	$ 1,300,033	$ 1,020,993	$ 580,494
Net Revenue	$ 5,995,123	$ 3,237,681	$ 6,851,968	$ 6,929,965

Growth of Brazilian Enterprise

STREET RAILWAY	1920	1921	1922	1923
Miles of Track	402.56	405.47	413.53	415.83
Equipment—				
Passenger Cars	893	936	987	961
Passenger Trailers	609	607	602	587
Freight Cars	143	149	147	147
Freight Trailers	154	153	155	139
Corcovado Locomotives	3	3	4	4
Corcovado Passenger Cars	3	3	4	4
Corcovado Freight Cars	2	2	2	2
Autobusses (electric)	7	7	7	7
Miles Run	42,067,672	43,586,042	44,618,420	46,197,145
Passengers carried	377,396,013	412,176,127	454,486,999	479,527,034
LIGHT AND POWER				
K.W. Hours Generated	441,821,962	460,062,130	512,624,586	564,219,325
Consumers—Light	127,644	137,310	146,920	156,813
Consumers—Power	5,498	6,028	6,668	7,375
Incandescent Lamps Private	1,530,204	1,626,787	1,735,223	1,852,792
Incandescent and Arc Lamps (Public).......	16.014	17,194	19,380	20,179
Arc Lamps—Private	205	207	211	211
H. P. Motors Consumers	160,805	179,345	196,852	207,245
H. P. Motors—C. Service	40,618	46,922	58,812	55,012
Rainfall—Inches:—				
Lages (Rio de Janeiro)	60.72	42.76	73.04	63.45
Parnahyba (Sao Paulo)	47.40	45.00	50.71	60.23
Sorocaba (Sao Paulo)	45.58	43.47	55.33	53.91
GAS				
Gas (Cubic Metres)	62,840,826	65,359,000	68,332,900	68,950,800
Consumers	34,615	35,734	36.965	37,824
Street Lamps	*30,504	*30,604	*29,193	*28,703
Stoves, Water Heaters, etc.	49,530	51,118	52,668	54,298
TELEPHONES				
Telephones in Operation	65,367	67,862	71.514	74,359

Financial Record of Brazilian

Capitalization—

	Authorized	Outstanding
Common	$110,000,000	$106,582,900
Pref. 6% cum. ..	10,000,000	10,000,000

Funded Debt of Subsidiaries—

Rio de Janeiro Tram, Light, Power bonds, 5%, 1st mortgage, due 1935	$25,000,000
Bonds 5% mortgage, due 1958..	23,900,408
Sao Paulo Tram, Light, Power, mortgage debentures, 5%, due 1929	6,000,000
Perp. cons. debenture stock	3,999,996
Sao Paulo Electric, first mortg. bonds 5%, due 1962	9,738,333

Dividend Record—

Calendar year	Pref.	Com.
1912	.%	1½%
1913	6	6
1914	6	6
1915-16	6	4
1917	6	1
1918-21	6	.
1922	6	2
1923	6	4
1924	6	4

Officers and Directors—
Sir Alex. Mackenzie, E. R. Wood, H. M. Hubbard, Miller Lash, W. Bain, F. A. Huntress, Clarence Dillon, Sir T. White, R. C. Brown, E. R. Peacock, D. B. Hanna, R. M. Horne-Payne, Sir H. M. Pellatt, Hon. F. H. Phippen, Sir John Aird, J. H. Smith, secretary; A. W. Adams, treasurer.

Market Record—

	Common	
Year	High	Low
1912	99¼	85
1913	101	80⅛
1914	92	53½
1915	59½	53
1916	62⅝	41½
1917	47¾	31¾
1918	60¼	32
1919	61	50
1920	51¼	28
1921	36	19¾
1922	50¼	27⅞
1923	53	35½
1924	55⅞	41¼
1925 to date..	57¼	48¼

Gross Earnings—

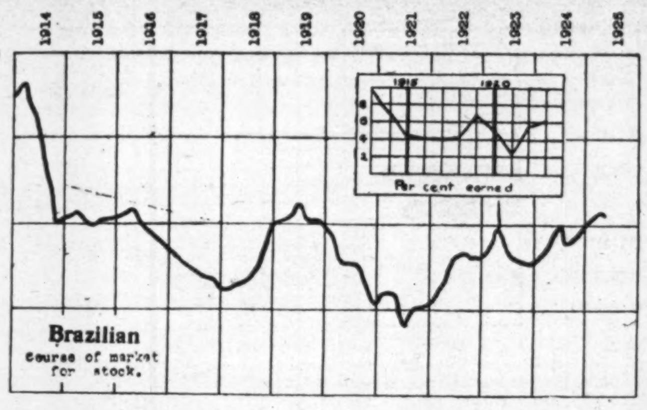
	1924	1925
January	$2,128,185	$2,494,194
February	2,200,534	2,207,359
March	2,240,271	2,344,123
	$6,568,980	$7,045,676

Net Earnings—

	1924	1925
January	$1,345,070	$1,493,493
February..	1,324,472	1,284,842
March	1,406,727	1,345,927
	$4,076,269	$4,123,762

Profit and Loss—

	1919	1920	1921	1922	1923
Revenue	$8,500,234	$7,036,824	$4,410,057	$7,422,897	$6,717,941
Other revenue	376,771	206,619	127,657	450,064	792,517
Balance forward	7,613.041	2,587,008	3,082,131	5,719,813	6,840,270
	$16,490,046	$9,830,451	$7,619,845	$13,592,774	$14,350,729
Charges	139,782	313,782	166,465	185,840	280,493
Interest	663,305	674,537	633,568	535.153	......
Reserves	12,300,000	4,900,000	......	3,000,000	3,000,000
Amortization	200,000	260,000	300,000	300,000	300,000
Dividends	600,000	600,000	600,000	2.731,511	4,862,477
Surplus	2,507,006	3,082,131	5,719,813	6,840,270	5,907,758
	$16,490,046	$9,830,451	$7,619,845	$13,592,774	$14,350,729



Quebec Southern

A New Company Which Embraces Two Older Power Developments

The Quebec Southern Power Corporation which was incorporated recently now controls the Laurentian Hydro Electric Limited through owernship of over 90 per cent. of the outstanding stock. La Compagnie Electrique des Laurentides, which has been in successful operation since 1912 and which has been paying 8 per cent. dividends on its common stock will be entirely merged in the new company. This deal makes available, therefore, to the Quebec Southern Power Corporation a potential development of 76,000 h. p.

The interests behind the new company are also practically identical with those controlling the Gatineau River Power Company.

Investors are especially interested in the Laurentian Hydro Electric Co. through its $500,000 bond issue. This company is at present developing 2,150 h.p. and it is intended to double this capacity soon.

The deal unites two concerns which serve adjacent territories. Some 31 towns generally under an exclusive franchise, are served by the new company and its subsidiary. The directors in the Quebec Southern Power are, in part, identical with the directors of the controlled company.

Duke-Price Power

Gigantic Power Development Commences Operations on the Saguenay River

The Duke-Price Power Company was incorporated in Canada to develop the hydro-electric resources of the Saguenay River, draining out Lake St. John in the province of Quebec. The company is expected to have unusual water reserves, as Lake St. John is a natural reservoir of 385 square miles, and drains an area of 30,000 square miles. The site of the power station is known as Grand Discharge, and initial construction was nearing completion at the end of 1924. The present project comprises a plant of eight units totalling 360,000 h.p., and the ultimate capacity will be 540,000 h.p. The enterprise is controlled by the Duke interests, who are active in the tobacco industry and in domestic utilities, and by the Price interests, who are important factors in the Canadian paper industry.

At the present time power is being sold to Price Brothers and Company, but not, as yet, up to the full capacity of the first installation.

A twenty-year contract has been made with Price Bros. & Co., Ltd., which provides for the purchase by Price Bros. for their paper mills of 90,000 h.p. in the first year of operation, 145,000 h.p. in the next year and 200,000 h.p. per year thereafter during the life of the contract. Price Bros. & Co. have agreed to pay $1,520,000 annually for the 200,000 h.p. The power company is entitled to withdraw some of the power so supplied if it is able to dispose of it to greater advantage. Operations began early this year and it is expected that 360,000 h.p. will be ready by July. Price Bros. & Co., and J. B. Duke, Esq., and his associates have agreed to advance the interest until 1927, if need be, on the power company's $12,000,000 first mortgage bonds.

Funded Debt—

First mortgage gold bonds, 6 per cent. due 1949	$12,000,000

Wahnapitae Power

Operates Three Plants in a Rapidly Growing District

Public interest in the Wahnapitae Power Company centres on its recent bond issue.

The company has been in successful operation since 1905 and earnings over the past five years have averaged $74,575 annually, while annual interest requirements on the issue amount to only $32,500.

The company controls, under long term lease from the province of Ontario, three water powers on the Wahnapitae River in Northern Ontario. Plants on these three sites have been completed and are selling power. The power is sold to the town of Sudbury and the surrounding districts, a territory in which there is a steadily growing demand for electrical energy.

Capitalization—

	Authorized	Outstanding
Common stock	$1,000,000	$ 710,400
Funded Debt—		
6½% first mortgage sinking fund gold bonds	1,000,000	500,000

Officers—
W. McVittie, pres., Alex. H. Skene, sec.-treas., mgr., and pur. agent; K. McRae, supt.

Shawinigan is the world's largest hydro-electric organization at the present time, but it is still growing.

LAURENTIAN HYDRO

Work Completed Last Autumn and Results Have Been Satisfactory

Work on the first installation of the Laurentian Hydro-Electric was completed in September, 1924. The plant, which is situated in the North River, near St. Adele, produces 2,150 h. p. This production has been practically all sold and it is expected that work in connection with the installation of further 2,000 h.p. will be commenced this summer. The company owns also one adjacent power site which will give a development of 1,400 h. p.

The results to date on the undertaking have been satisfactory. The earnings for the first eight months of the company's operations are said to have been good.

The stock control, amounting to over 90 per cent. of the outstanding common stock of the company is now owned by a recently incorporated concern, the Quebec Southern Power Corporation. This latter company took over La Compagnie Electrique des Laurentides which operated in a district adjacent to the field covered by the Laurentian Hydro Electric. This new connection should give an added impetus and earning power to the Laurentian Hydro Electric Company.

E. Kootenay Power

Supplies the Sullivan Mine With Power — Earnings Show Increase

The East Kootenay Power Company supplies over 5,000 h.p. to the Consolidated Mining and Smelting Company's concentrator at Kimberly and the Sullivan Mine. In addition, the towns of Fernie and Cranbrook and various coal mines obtain their power from the company.

The total development is over 22,000 h.p.

Some time ago the investment house of Nesbitt Thomson and Company acquired the controlling interest in the concern. Because of this firm's wide interest in power development this connection should prove of value to the company.

Earnings are reported as being satisfactory and showing improvement month by month.

Capitalization—

	Authorized	Outstanding
Common	30,000 shs.	30,000 shs.
(no par value)		
Pref. 7%	$ 750,000	

Funded Debt—
First gold 7 per cent., due 1942, $2,000,000.

Officers and Directors—
A. J. Nesbitt, pres.; A. E. Appleyard, J. B. Woodyat, G. S. Appleyard, F. D. Emory, A. B. Sanborn, gen. manager; K. S. Barnes, sec.-treas.

SOUTHERN CANADA POWER

April	1925	1924	Change
Gross Earn.	$96,749	$86,471+	$10,278
Oper. Expenses ..	39,710	40,412—	702
Net Earn.	$57,039	$46,059+	$10,980
7 months ending April 30—			
Gross Earn.	$672,770	$618,723+	$54,047
Oper. Expenses ..	306,039	275,035+	32,003
Net Earn.	$366,731	$344,687+	$22,043

Electric Power
Tramways
Telephones
Gas

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National Telephone Company
Newfoundland Light & Power Company
Ottawa Light, Heat & Power Company
Porto Rico Railways Company
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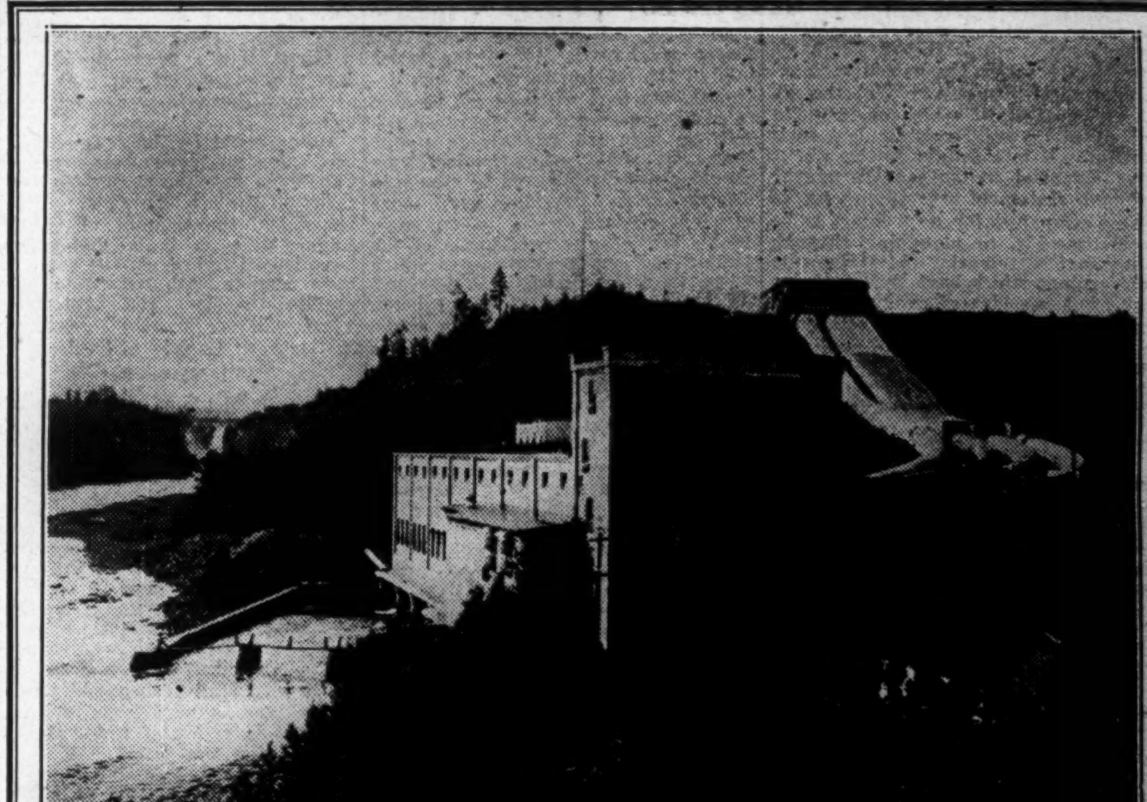
164 St. James Street, Montreal
Toronto Halifax St. John Winnipeg Vancouver



Power Plant of 35,000 Horsepower at Kakabeka Falls, Hydro-electric Supply of Fort William

The Kaministiquia Power Company
Limited

THE plant of the Kaministiquia Power Company, Limited, has an enviable record of performance. Since its installation it has had a virtually perfect service, which in itself is a high tribute to the engineers who installed the plant and to the quality of the equipment and to the administrative staff. The plant has consistently delivered power to meet all demands.

The plant itself, as is evidenced in a measure by the accompanying picture, which can, naturally, give but a faint impression of its size and quality, is, beyond any question, one of the finest in Canada. It is superbly located at the Kakabeka Falls, where ample power resources are assured.

The plant has been developed with an eye for future development, which can come with the minimum of expense. It has an assured demand from the city and district of Fort William. This assures a profitable present, while the marvellous advances being made in this section give an ample promise of a promising future.

Barcelona Traction

Reorganization of Funded Debt Has Materially Cut Capital Charges — Improved the Position of Company and the Stock

Barcelona Traction, Light and Power Co. made a radical change in its capitalization and funded debt during the past year and at the same time placed the operation in a much stronger position. Back of the plan was the fact that while the company's earnings are in Spanish funds, pesetas, a great portion of the capital charges were payable in sterling. This placed the company in an uncertain position at all times. Exchange has been weak for a few years past and the constantly changing conditions of the country, caused many embarrassments. The change in the funded debt particularly will ease this and at the same time the heads of the company have set out to build up strong reserves with the idea of being in a position to handle these embarrassing demands on the company which may arise at any time as they have in the past. This was the explanation of Pres. E. R. Peacock at the annual meeting, in pointing to the special reserves which the company is setting up. The change in the capital and funded debt position follows:

	1923	1924
Bonds	£12,072,561	£ 7,532,647
Common stock	27,450,000	13,725,000
Preferred	8,483,500	23,248,900

It will be seen from the above that a material reduction was made in the total of the bonds in the hands of the public. This is made up for by the increase in the preferred shares while at the same time the par value of the common shares was cut in two.

The benefits which accrue as a result of this are shown in the annual capital charges. Charges payable in sterling are reduced by £450,000 while the charges payable in Spanish currency have increased two and a half times. But even if all the charges were payable in sterling, it will be seen that the change has brought about a considerable reduction and in this way improved the position of the shares. The figures:

Sterling	£ 722,454	£ 278,121
Peseta	2,426,407	6,187,802
Do., in £	72,430	184,710
	£ 794,884	£ 462,831

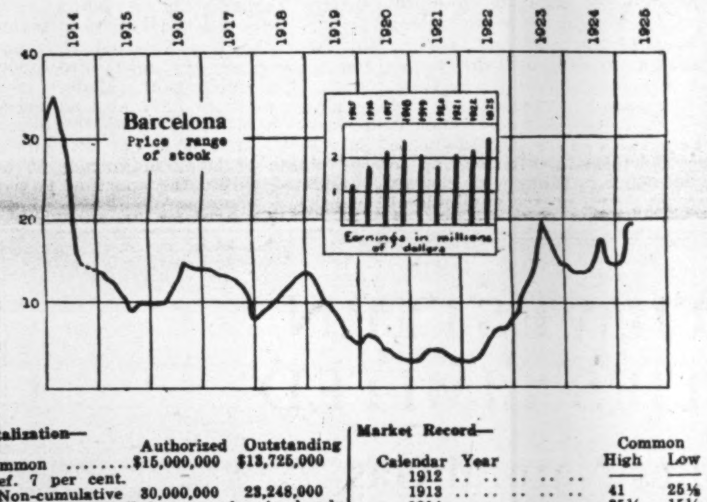
This reorganization had another result. The amounts placed in past years to capital reserve are no longer in suspense and were, therefore, applied in reducing the capital account of Barcelona and the sinking fund reserve, created in respect of the eight per cent. debentures has for the same reason been applied in a like manner.

The 1924 report of the company showed a material increase in earnings in dollars but the added charges, due to the reorganization, reduced the net somewhat, but the balance remaining was largely due to the lowering of the capital charges. This year one per cent. has been paid on the preferred shares and Pres. Peacock expressed the hope that income will justify the payment of four such dividends this year.

In 1923 Barcelona acquired control of Union Electrica de Cataluna and Energia Electrica de Cataluna and their 1924 earnings appeared in the combined Barcelona balance sheet in the report of the company for the year. This resulted in total assets being increased from $118,640,110 to $122,721,908.

Barcelona 1924 gross and net earnings in pesetas by months for the past two years follow. The increase is quite noticeable.

	Gross		Oper. Exp.		Net	
	1924	1923	1924	1923	1924	1923
January	$4,999,096	$4,855,464	$1,709,791	$2,586,155	$3,289,305	$2,269,309
February	4,937,626	4,495,111	1,879,394	2,249.455	3,058,232	1,998,656
March	4,832,197	4,329,77b	2,033,101	1,904,991	2,779,096	2,424,780
April	4.546,360	4,264,756	1,869,611	1,498,100	2,667,049	2,766,656
May	4,598,973	4,102,048	1,907.193	1,460,111	2,691,780	2,641,937
June	4,452,601	3,711,837	1,722,696	1,160.178	2,729,905	2,551,659
July	4,011,718	3,521,912	1,783,143	1,619,956	2,228,575	1,901,956
August	4.767,158	3,826,081	1,960,098	1,540,684	2,807,060	2,285,397
September	4,242,120	3,984,372	1,700,515	1,634,245	2,541,605	2,350,127
October	4,538,135	4,339,004	1,735,359	1,579.078	2,802,776	2,759,926
November	5,308,317	4,669,114	1,860,476	1,650,824	3,447,841	3,018,290
December	5.387,016	4,981,366	1,887,407	1,943,044	3,499,608	3,038,322
	$56.621,636	$51,080,838	$22,088,704	$21,073,823	$34,532,932	$30,607,015



Capitalization—

	Authorized	Outstanding
Common	$15,000,000	$13,725,000
Pref. 7 per cent. Non-cumulative	30,000,000	23,248,000
Shares of controlled companies in hands of public at par		$ 24,114
7% prior lien "A" bonds due 1965 ..	£ 1,048,560	$ 5,102,993
6½% consolidated prior lien bonds..	5,000,000	13,626,666
7% 30-yr. bonds pts.	38,722,000	7,478,058
5½% fst. mort. bonds	4,970,000	10,451,166
Outstanding bond issues of con. companies		42,292,580

Gross Earnings—

	Pesetas 1924	1925
January	7,161,168	7,922,049
February	7,085,209	7,835,622
March	6,881,785	7,328,101
	21,128,162	23,085,772

Net Earnings—

	Pesetas 1924	1925
January	4,187,106	5,620,143
February	4,642,425	5,523,912
March	4,281,348	5,012,755
	13,110,879	16,156,810

Market Record—

Calendar Year	Common High	Low
1912	—	—
1913	41	25⅛
1914	35⅛	15½
1915	12⅜	7¼
1916	17	8½
1917	14¼	8¼
1918	15½	8⅜
1919	13¼	5⅜
1920	9⅜	3¼
1921	5⅞	3
1922	15⅞	3¼
1923	22	12½
1924	23	12⅞
1925 to date..	23	18¼

Dividend Record—
None.

Officers and Directors—
E. R. Peacock, president; H. Malcolm Hubbard, R. C. Brown, Miller Lash, Marques de Aleila, J. A. Ready, Domingo Sert, Condo de Torroella de Montgri, E. R. Wood, C. D. Magee, A. W. Burchard, J. H. Plummer, E. A. Macnutt, Alfred Loewenstein, Maurice Bauwens, R. H. Merry, sec.-treas., T. Porter. J. S. Holmsted, asst. secs.

Profit and Loss—

	1919	1920	1921	1922	1923	1924
Revenue	$1,783,296	1.998,878	$2,065,537	$2,575,465	$2,726,972	$2,999,287
Expenses	147,786	188,893	160,936	340,241	154,476	505,527
Bond interest	1,079,232	1,232,316	1,307,846	1,496,866	1,448,985	1,815.761
Int. on mtge. bonds	723,837	731,169	753,627	715,272	1,101,526	603,327
Interest on loans	77,226	25.890	......	......	......	......
Depreciation	373,140	52,497	......	......	......	......
Balance	*618,031	*231,887	*156,872	23,086	21,985	74,672
	$1,873,296	$1,998,878	$2,065,537	$2,575,465	$2,726,973	$2.999,287

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* Deficit.

Financing Power Companies

IT IS estimated that the total investment in power in this country will be a great deal more than doubled in the next ten years—for this reason one or two thoughts on the financial structure of the power companies will be of interest.

One of the chief reasons why the amount invested in power companies grows with such rapidity is the fact that these companies are fortunate if they can turn their capital over once in five years, often it will only be turned over once in eight years. Coupled with this, too, is the ever increasing demand for more power and many companies find each year they must be ready to increase their capital outlay by ten per cent.

To-day, in order to keep pace with the expansion of the industry as a whole, executives are more and more giving the subject of raising additional capital more exhaustive study. This is but one of the many reasons which led to customer ownership campaigns, though probably, it was a minor consideration as compared with the resultant goodwill which is obtained through this form of further financing.

Terms of Stock Issues

Some corporations, such as the Shawinigan Water and Power Company, favor the issue of new stock as a means by which the shareholder may reap an increased increment through the sale of valuable stock rights. Montreal Power, on the other hand, has been in the habit of gradually increasing the actual dividend to the shareholder. In both instances the results to the shareholder are practically identical in so far as the distribution of profits is concerned, but in the case of those provinces which have a definite limit on the earnings of utilities, the procedure of issuing rights to additional stock at well below market prices is often followed.

With regard to the bond issues of the power companies it is now the usual procedure not to make these issues closed. Of course the trust deeds contain many clauses which protect the purchaser of the first due to the rapid increase in the demand for power experience has proven that it is unwise to issue closed first mortgages on the properties which are being developed, for this reason power bonds are now sold with clauses in the trust deed which permit the issue of more bonds when only up to a definite percentage of the actual amount spent in further developments to the extensions to the plant.

United Securities

Formed as Holding Company When "Power" and Shawinigan Acquired Robert Group

United Securities came into being during the past year as a holding company to acquire the Montreal Tramways Company, the Quebec-New England Hydro-Electric Corporation and the Canadian Light and Power Company. It was financed by Shawinigan Water and Power Company and Montreal Light, Heat and Power Company jointly, each one assuming half of control. Then a simplification of the financial structure of the controlled companies was attempted.

Montreal Tramways and Power Company, a holding company, was wound up. Quebec-New England Hydro-Electric Corporation was continued, but its properties were all leased to Montreal Light, Heat and Power; Canadian Light and Power is now in the lap of the gods.

The public was given an opportunity to subscribe for preferred shares, $2,500,000 being issued. The dividends of 6 per cent. are guaranteed jointly by Shawinigan and Montreal Power.

IF UTILITY CONCERNS UNSHACKLED, BIG FUTURE IS CERTAIN

Head of Noted Chicago Group Says Investment Company Most Important

The part played by the holding or investment company in the development of the public utility industry was recently stressed by Samuel Insull, head of a large group of such industries centring in Chicago. He declared that such a method was the only one insuring utmost development and progress and predicts, that if unhampered, the electric light and power industry will have a greater growth in the next 40 years than it has thus experienced in its 45 years of history. The utility situation to-day, he said, was not unlike that of the railroad industry of the U.S. half a century back before the great trunk and transcontinental lines were completed. Local development is well established. The next logical step is to carry on by means of transmission lines and interconnections, the trunk line development—call it 'super-power' or 'giant-power' or what you will—already so well begun under investment company auspices. He added:

"From this point of view we are concerned—and the general public has much more at stake than we have—that investment or 'holding' companies shall remain unshackled. Small town and rural populations want electric service as much as their hitherto more fortunate neighbors. Industry seeks freedom from the necessity of massing itself at congested centres, but cannot be freed without assurance of ample and reliable power. All of those interests are entitled to have, as soon as practicable, the full electric service that can be supplied only by transmission line and interconnection development. We want to supply it because it will tend to round out and complete the structure of our industry.

Economic Problem

"But the problems of extending electric service to unsupplied populations and areas, including the farms, and of enabling industry to decentralize, are more financial and economic than they are technical. The investment companies are the only agency yet developed for dealing effectively with these problems. They have made great progress in solving them, as reflected in the thousands of hamlets now enjoying full electric service which otherwise could not have any. The only hope of completing the job, on a scale that will satisfy demands, lies in permitting these companies to finish the work they have so well begun in this latest phase of electric light and power development."

In the passing of 40 odd years the industry rose from the status of a laboratory experiment to the gigantic proportions represented by a cash investment of $6,600,000,000, with a gross revenue in 1924 of $1,350,000,000, and paid taxes of $135,000,000, rendering daily service to 16,000,000 customers. Mr. Insull adds:

"This amazing record has no parallel. The making of it has not been accidental. Obvious and superficial reasons—time and circumstances and the like—do not fully explain it. Much of it has been due to factors utterly unrecognized by the layman, and sometimes undervalued within the industry.

"The growth of these forty-odd years will be equalled if not surpassed in the next forty or fifty years, I believe unless the industry is hampered by artificial barriers, erected out of misunderstanding or plain ignorance. We, who are responsible for the industry, should see to it that factors which have contributed to making the industry what it is are not now paralyzed, to the detriment of its future growth and expansion, and its increasing usefulness to the public.

"American principles and practice—the genius of America and American institutions—come first, of course, among factors in the development of this, as of every other industry that has had pioneering to do. The encouragement and free play given to individual ambition and energy and initiative and enterprise, no less than the natural resources and opportunities of a rich, new land, have made the country what it is. The electric light and power industry owes as much as any other to this freedom of action. But, in acknowledging the debt, let us not countenance disparagement of the use that has been made of our opportunities.

"If we ever put restrictions upon individual ambition and enterprise by adopting government ownership, then we shall have necessarily a government far different from this that has fostered development of the country, and consequently we shall have a far different country to live in. Government ownership, once begun in this industry, will soon be extended to the factory and the farm—to government ownership of all business and industry, including the colleges and universities and newspapers that play with the idea. It will be the first step toward the full communist program, as exemplified in Russia and defined in the dictionary, namely: 'abolition of all private property, and state control of labor, religion and social relations,' including the raising of families. This is admitted by all government ownership advocates who are at once honest and mentally able to apply the significance of their slogans and shibboleths; it is denied or doubted only by the self-deluded."

Which is the Cheaper, Hydro or Steam Power?

Why Electricity Made From Coal Still Continues as a Large Factor in the Power Business

WHICH is the cheaper—hydro or steam? It is sometimes taken for granted that simply because the water is running down the rivers in this country, that necessarily, the cost of power developed by hydro-electric plants must be cheaper than power supplied by steam.

In the main this is probably true, but at the same time, there are many places and many circumstances which make steam-generated electricity considerably cheaper than hydro power.

In the last few years steam engine economies have made rapid strides—this has resulted in materially reducing the costs of steam power, but the principal factor in the cost of power is that mysterious thing known as the load factor. Load factor means, briefly, the continuity of load purchased. For instance, if a manufacturer only wants power between the hours of five and seven p.m., he will be forced to pay dearly for his energy, because at that time, power companies must carry their peak loads. If, however, this same manufacturer definitely contracts for a certain number of horsepower to be supplied throughout the whole 24 hours of each day, naturally his rate will be much lower. It is for this reason, that it pays some pulp and paper companies to generate some of their steam by hydro electric. They have bought a large block of power which is on tap on the wires at all times. Rather than let this lie idle on Sundays or holidays or at other off peak times, it is profitable to use the power for generating steam. From this it may be seen that in many cases it might be cheaper to use steam power when the load or power used varies considerably at various times of the day. The cause of this lies in the fact that for every dollar which is paid out in power bills to hydro concerns, about 85 to 90 per cent. goes to pay for fixed charges and about 10 per cent. goes in operating charges.

With steam plants, on the other hand, about 50 per cent. goes in fixed charges and 50 per cent. in operating costs and, as a consequence, it is possible to materially reduce costs on a steam plant by cutting down operating charges when the plant is idle or when the power load is low. On the hydro plant this is impossible.

This explains why many hydro-electric companies have steam plants, which are usually used to take care of peak loads. It explains also why some industries find it economically possible to generate their own electricity from coal.

Newfoundland Light

Has Had a Successful Career for Many Years—Earnings Put Back Into Property

The Newfoundland Light and Power Company has a good contract with the city of St. John's. It is a perpetual franchise, with the alternative of the city buying out the company as a going concern. It has proved a money maker for the original owners.

Since it passed into the hands of its present owners, interests associated with the Royal Securities Corporation, the policy of ploughing back into the property of a good proportion of the earnings has been continued.

Interest charges are easily earned and the bondholders have an equity which assures the payment of principal.

A consistent increase in consumption of light and power in St. John's is anticipated and can be met as required by a further development of the company's water-power resources.

Capitalization—

Common Shares	$1,500,000
7% Mortgage Debs., due 1949..	500,000
6½% 1st Mort. Bonds, Series "A," due 1949	1,000,000

An additional $250,000 6½% First Mortgage Bonds, Series "A," and $500,000 Mortgage Debentures, held in the Treasury, may be issued as required for the general purposes of the company.

Earnings—
Earnings from the properties, after deducting operating expenses and maintenance charges, for the fiscal year ended June 30, 1923, were $163,384, equivalent, after deducting interest on $1,000,000 First Mortgage Bonds, to over 2¾ times the annual interest requirement of $35,000 on $500,000 Mortgage Debentures. For eight years, 1916 to 1923, inclusive, net earnings averaged $151,116.

HOW MANY MORE YEARS WILL THE TRAMS BE USED?

At Least Till the Year 1950, Say Most Engineers

AS FAR as financing and public relations go, it is conceded that the tramways have considerable to look forward to in the future, but possibly there are some shareholders in these concerns who are always apprehensive of other forms of transportation affecting their income. Possibly they are regarding the future from the wrong angle.

The tramways are in business to furnish transportation at a profit; if new methods are introduced, the far-seeing companies will either adopt them, or find some means of successfully meeting the competition.

Engineers are of the opinion that tramways will be in regular use for the next 25 years at least, and indefinitely after that unless some improved system is discovered.

Let us suppose that electricity is superseded by some other form of power. Very well, tracks will still continue to be the most economical method of movement, and all that will be required is simply the changing over the cars to the new power.

Even supposing that tracks outlive their usefulness, it is to remembered that this would not occur overnight, and as the tracks become worn out they would not be replaced; the new form of traction be installed instead. People would still be carried from houses to offices and from ball games to theatres. This is a necessary feature of modern life and can not be dispensed with. People must move, and the tramways have the franchises for carrying them. If there are improved or entirely changed methods in transportation, the companies will keep pace with the changes, for changes of this nature come, as a rule, but slowly, and the tramways will have plenty of opportunity to accommodate themselves to the new order of things. Competition, too, in public service has been proven time and again to be wasteful so that it would seem likely that the street railways would always have exclusive franchises.

In another article in this issue, the case of the tramways is considered. Many believe that the trams have their bad days behind them and that the shareholder in these companies may face the future with confidence.

SERVICE

A Vast Industry
Pioneers Natural Gas Development

THE DEVELOPMENT, TRANSMISSION and DISTRIBUTION of Natural Gas is one of Alberta's largest industries, involving many millions of dollars of invested capital.

DEVELOPMENT.

Gas Fields have been developed over a large area in the Southern part of the Province of Alberta, the principal fields of production being Foremost, Bow Island and Barnwell. Other work has developed another large field in close proximity to Calgary, and extensive drilling is being undertaken which will further prove this field.

TRANSMISSION.

The 16 inch Main Transmission Line of this Company is approximately 200 miles in length, extending from the Bow Island and Foremost natural gas fields to the City of Calgary, and serving en route the following cities and towns: LETHBRIDGE, MACLEOD, GRANUM, NANTON, CLARESHOLM, OKOTOKS and CALGARY.

DISTRIBUTION.

The present distribution system in the City of Calgary consists of 120 miles of distributing mains. The best available material has been used, and the most advanced ideas and principles have been followed in its construction.

AN UNPARALLELED SERVICE is rendered to our customers. The efficiency and convenience of Natural Gas—the SUPER FUEL—has been a large factor in benefiting the living conditions of 13,000 customers served by the Company.

WITH the present proven gas fields now connected to the Company's system, and the development work expanding these fields and producing further vast supplies, it is being rapidly realized that this supply is so large and scattered as to be almost inexhaustible.

The Canadian Western Natural Gas, Light, Heat & Power Company, Limited
General Offices: Calgary, Alberta

Combination of Forest, Minerals and Power Proves a Boon to North

16 Per Cent. of Power Resources of Northern Ontario Have Been Developed, Turning Wilderness to Hive of Industry

TWO industries in Canada are closely linked with water power, mining and pulp and paper. The one place where these recent Canadian acquisitions are most closely knit together lies in Northern Ontario and the borders of Northwestern Quebec. In other words, that portion of country usually known as the Northern Ontario mining area.

The water power developments and potential developments in this country hold special interest by the fact that both the pulp and the mining industry are really in their infancy and the combined growth of both depends on but one thing—power.

In this rich area are included numerous rivers containing large amounts of available power, for the most part undeveloped; rich gold, silver, nickel and iron mining areas and vast stretches of pulpwood forests. Large areas of good agricultural land are found in the Clay Belt of the northern slope.

Seventy-Five Thousand Miles

Roughly speaking, there are included some seventy-five thousand square miles of forests, rocky mining country, lakes and rivers, but nowhere is native coal found. This fact adds appreciably to the value of the abundant supply of undeveloped hydro-electric power to be found in the district.

The larger part of this district is included in what is termed as the pre-Cambrian shield, a broad "U" shaped belt of pre-Cambrian rock which stretches around Hudson Bay from Labrador to the Arctic Ocean. From this it will be seen that the geology through which the different rivers flow is much the same. The rivers flowing southward are tortuous, while those flowing northward have more commonly long stretches of quietly flowing water.

This district under consideration is approximately bounded on the north by James Bay, on the west by the Algoma Central Railway, on the east by the Quebec border and on the south by the shores of Lake Superior and Lake Huron. The available power here amounts to a total of 727,591 h.p., or a total of 1,360,189 h.p., figuring on the maximum flow over a period of six months. More than one half this total is made up by the Abitibi River, the Mattagami and the Quinze Rivers (in Quebec). The total power in use at present is 296,821 h.p.

Doubles Every 10 Years

The table following shows the amount developed has more than doubled itself every ten years.

This table was compiled by T. M. Patterson in a paper for the Engineering Society of the University of Toronto:

Date	Installed during year H.P.	Total at end of year H.P.
1890 and before	65	65
18[illegible]1	....	65
18[illegible]2	....	65
18[illegible]3	....	65
18[illegible]4	....	65
18[illegible]5	75	140
18[illegible]6	286	426
18[illegible]7	....	426
18[illegible]8	....	426
18[illegible]9	....	426
19[illegible]0	6,300	6,726
19[illegible]1	....	6,726
19[illegible]2	7,290	14,016
19[illegible]3	....	14,016
19[illegible]4	10,870	24,886
19[illegible]5	8,700	33,586
19[illegible]6	600	34,186
19[illegible]7	1,600	35,786
19[illegible]8	4.100	39,886
19[illegible]9	12,500	52,386
19[illegible]0	15,425	67,811
19[illegible]1	23,210	91,021
19[illegible]2	15,000	106,021
19[illegible]3	8,200	114,221
19[illegible]4	26,880	141,101
19[illegible]5	5,500	146,601
19[illegible]6	9,300	155,901
19[illegible]7	21,250	177,151
19[illegible]8	21,770	198,921
19[illegible]9	1,600	200,521
19[illegible]0	250	200,771
19[illegible]1	36,050	238,821
19[illegible]2	....	238,821
19[illegible]3	13,250	250,071
19[illegible]4	46,750	296,821

Two hundred and ninety-six thousand, eight hundred and twenty-one horsepower developed is a strikingly large total, especially when consideration is given to how sparsely settled is this portion of the country. It is indicative of the importance of power to the industries of the district.

The modern tendency toward amalgamations among the power interests is seen in this district and reports from time to time indicate the consolidation of smaller power companies. The advantages to be obtained through these mergers are fairly obvious and include:

More reliability of supply.

More stable markets.

Elimination of unnecessary duplication.

The plants of this area which are completely built show an installation 37 per cent. greater than the power indicated as being available for six months of the year. Thus the power available for six months as shown above at 1,360,189 h.p. would permit a turbine installation of 1,863,460 h.p. as compared with a present installation of 296,821 h.p., or in other words, to-date 16 per cent. of the power of this north country has been utilized.

Leader in Minerals

The mineral industry of Northern Ontario and Quebec has three outstanding characteristics. They are rapid growth, proximity of power, and domination of world market by certain metals such as nickel and cobalt. As a gold producer Canada now stands third among the countries of the world. In silver, too, this area has taken a prominent place among world producers. From this it is seen what promise the future of this section holds with regard to the development of new mines.

The mines are situated in a part of the Dominion where coal reaches its highest price and water power for this reason becomes doubly important.

This power has many uses in the mines. The principal ones are compressing air for drilling; driving motors or engines for hoisting; haulage of ore above and below ground; driving ore crushers and conveyors; pumping for water and for removal of ground water; lighting; heating; ventilating; signalling; operating machine, blacksmith and framing shops, and for various electro-metallurgical processes. Briefly, large amounts of power are necessary in every branch of the mining industry from the preliminary drilling to the final refinement of the product. When there is added to this the statement that in the comparatively simple process used in coal mining, as much as 10 per cent. of the product may be used in developing the necessary operating power, the importance of low-priced power becomes strikingly apparent. This is emphasized by the fact that coal mines, where possible, are abandoning fuel power in favor of hydro-electricity.

To supply the mining needs of this country there is turbine installation aggregating approximately 103,000 h.p. To this figure must be added the 20,000 h.p. installation, just completed, by the Northern Canada Power Company, and the 25,000 h.p. of the Hollinger Consolidated Gold Mines, nearing completion on the Abitibi River.

Pulp and Paper Industries

Turning to the consideration of the pulp and paper industry in this section and its relation to water power, the first thing to be considered is the fact that investments in pulp and paper in Canada are only exceeded by our investments in steam railways and central electric stations. This shows clearly the importance of this branch of industry.

In the production of pulp and paper an adequate supply of power is almost equal in importance to that of raw materials.

In Canada the bulk of the paper produced is newsprint, which consists of approximately 80 per cent. mechanical pulp or groundpulp, which gives to the sheet its characteristic quickness in absorbing the ink when run through a modern high speed printing press, and 20 per cent. chemical or sulphite pulp, which is necessary for the requisite strength.

The production of mechanical pulp requires about 75 h.p. per ton per day, while that of chemical pulp requires about 22 h.p. The actual conversion or paper-making process adds from 15 to 25 h.p., so that for the manufacture of one ton per day of newsprint from 90 to 100 horsepower are required. One large and representative Canadian mill uses on the average 73 h.p. for each ton of mechanical pulp produced, 67 h.p. of which is for the actual grinding alone. The production of sulphite pulp for mixing with groundwood pulp requires 8.7 h.p. per ton of daily output (in certain large mills as high as 30 h.p. is used per ton of sulphite pulp produced), while the conversion of the pulp to newsprint requires 12 h.p. for the same unit of output.

In any industry the relative necessity of obtaining cheap and adequate power may be gauged by the amount required per dollar value of produce and, with the possible exception of certain electro-chemical and metallurgical processes, the requirements for the manufacture of pulp and paper rank among the highest.

It is, therefore, not surprising that over 90 per cent. of the motive power in this industry in Canada is derived from the energy of the abundant and advantageously located water falls.

Interest Chief Item

The main item in the cost per unit of power is in the interest on the capital expended in the hydraulic development. Since this is the same, whether the plant operates 10 hours or 24 hours per day, the continuous operation of mills in this industry, usually 24 hours per day, lends itself to the securing of a very low cost per unit of power. This unit cost has been further reduced in the development of the electric steam generator by which any surplus or off-peak power which may be available can be utilized for producing steam for pulp cooking, drying, heating, etc.

From the foregoing it will be seen that there is an intimate connection between forests and water-powers, and the pulp and paper industry of Canada is deeply interested in both. The forests may be likened to the back-bone and frame of the industry, while the water-power constitutes the muscles and man-power the brains. The wood is required by the mill for raw material, the river is required in most cases to furnish cheap transportation of the wood to the mill, and when harnessed to turbines and generators, to furnish power and light.

The mineral and forest resources of this district have probably done more toward opening Northern Ontario than any other agency, unless in this connection there might be mentioned the railways, many of which in turn have been the result of the development of these natural resources. In practically every case the exploitation of these natural resources has been coupled with and dependent upon the development of the readily available hydro power, until at the present day there is installed in this area turbines totalling 296,821 h.p. It would be difficult to find a more striking illustration of the enormous asset which Canada possesses in her abundant supply of low priced hydro energy than that instanced in the relationship of water-power to the exploitation and utilization of the other resources in this northern region.

Natural Gas Industry Continues Its Growth

A Record Covering the Past Twenty-Five Years Shows That This Industry Prospers

THE natural gas industry in Canada has been steadily growing over a course of many years. Because most of the companies occupied in its production are small, the investor is unfamiliar with the possibilities in this field, but there have been many small companies operating for years in Canada which not only have had a successful record of dividends over a long period, but also have been able to build up reserves for depletion equal to more than the amount of the entire capital stock. This earning capacity of the natural gas companies has been amply demonstrated and because, as a rule, stocks in these concerns are closely held and do not change hands, investors have had no necessity of gauging the value of securities in companies engaged in this type of business.

Possibly some are inclined to say "Water powers, yes, they are all right, the water is there and will continue to flow, but natural gas, no. The field may become exhausted." This is true, the field may become exhausted, but engineers are able to reckon the amount of gas available in any gas field and it is but a simple matter to see that sufficient depletion reserves are allowed for. Determining the amount of gas available in any proven area is a simple matter. The area "proven" is determined by that space covered by producing wells; to estimate the volume of gas available, first of all the thickness of the upper or first sand is determined. Then the porosity of the sand is determined. The well is then capped and the rock pressure taken. The gas in then allowed to escape freely into the air for a given period. The well is then capped and the length of time required for the pressure to build itself up indicates the volume of gas in the area. This method of determining the amount of natural gas in any field area has been proven to give correct results.

Advantages of Production

The same advantages are attached to the production of natural gas which are embodied in the production of electricity from water power. They are these:

A product for which the demand is increasing.

No labor problem.

Business is on a cash basis.

No inventories to write down.

These are fundamental advantages which the natural gas company has. The natural disadvantage is, of course, the necessity of allowing a proper amount towards depletion of raw materials.

Now as to the records of the industry. The production of natural gas in 1923 of 15,960,583,000 cubic feet was 1,277,932,000 cubic feet higher than the 1922 record. Ontario continued to be the principal producer, followed closely by Alberta. The latter province's production of 7,191,670,000 cubic feet showed an increase of 1,323,231,000 cubic feet.

In Alberta and Ontario the manufacture of carbon black from natural gas is a promising new industry and the Dominion government has already published regulations covering the manufacture of this product from natural gas. Two plants are now being made ready to produce it.

Production Since 1892

The following tables show the production of natural gas in Canada since 1892 and also the production by provinces:

Production by Provinces

Province	1921 M cu. ft.	1921 Value $	1922 M cu. ft.	1922 Value $	1923 M cu. ft.	1923 Value $
Production—	1921		1922		1923	
New Brunswick	708,743	139,375	753,898	148,040	640,300	126,068
Ontario	8,422,774	3,080,130	8,060,114	4,076,296	8.128,413	4,066,244
Alberta	4,945,884	1,374,599	5,868,439	1,622,105	7,191,670	1.692,246
Manitoba	200	60	200	60	200	60
Total	14,077,601	4,594,164	14.682,651	5,846,501	15,960,583	5,884,618

Year	Value $	Year	Value $	Year	M. cu. ft.	Value $
1892	150,000	1903	202,210	1914	21,692,504	3,484,727
1893	376,233	1904	328,376	1915	20,124,162	3,706,035
1894	313,754	1905	379,561	1916	25,476,458	3.958,029
1895	423,032	1906	583,523	1917	27,408,940	5,045,298
1896	276,301	1907	815,032	1918	20,140,309	4,350,940
1897	325,873	1908	1,012.660	1919	19,937,769	4,176,037
1898	322,123	1909	1,207,029	1920	16,845,518	4,232,642
1899	387,271	1910	1,346,471	1921	14,077,601	4,594,164
1900	417,094	1911	1,907,678	1922	14,682,651	5,846,501
1901	339,476	1912	2,362,700	1923	15,960,583	5,884,618
1902	195,992	1913	2,309,381			
				Total		$61,260,761

The industry employed during 1923, the last year for which figures are available, 807,867 employees who were paid $1,050,366. This number has been increased considerably since that date. The total capital employed at the end of that year was $38,722,854.

No records are available prior to 1892, as to the production of natural gas in Canada. An estimate of the value of gas produced during that year placed the total at $150,000.

The extensive developments of the oilfields in Ontario made available for consumption large quantities of natural gas. From 1892 to 1902 inclusive, Ontario was the only contributor of this commodity. In 1903, the first production from other provinces was recorded. The value of natural gas produced during 1903 was approximately $202,000, and from that year onward there was an annual increase in production until in 1917, the grand total value was $5,045,298. From that date until 1923, considerable decreases in valuation were recorded.

A summary of the natural gas industry in Ontario during 1923 is provided in the following excerpt from the report issued by Col. R. B. Harkness, Commisioner of Gas for Ontario:

"The decline in production in 1923 reflects the natural decline in the rock pressure of the several fields, although the upward trend in the prices has its effect on the quantity consumed. The conservation policy put into effect in the year 1918 is being maintained. Special effort was made during the year to find a new supply of gas in the Trenton limestone in Essex, Kent and Lambton counties. For two years only dry wells had been found, but on November 1, 1923, the drillers were rewarded by a gusher estimated at 200 barrels of oil per day and 200 M. cubic feet of gas. This well is located in the east of Romney township on the shore of Lake Erie. Great excitement followed but the late season made it imperative that new drilling be postponed until 1924. The Haldimand-Norfolk gas field is being slowly extended but no spectacular wells have been found. The limits of the Welland gas field have apparently been reached, and it has been thoroughly tested to the pre-Cambrian. A small gas and oil field, seven miles east of the city of Sarnia, is likely to be utilized for making carbon black, as it is too small to operate as a gas field."

The producing fields in Alberta, during 1923, were, the Medicine Hat; Bow Island (about 40 miles west of Medicine Hat); and the Turner Valley gas field (35 miles southeast of Calgary). The total number of wells reported as producing at the end of the year was 63, as compared with 60 wells reported active in 1922. In addition to the fields mentioned previously, wells have also been bored successfully in the Viking gas field situated approximately 80 miles southeast of Edmonton.

The producing wells in the province of New Brunswick are confined to the Stony Creek field in Albert County, about eight miles south of Moncton. natural gas produced is used largely for power, domestic heating and lighting purposes in Moncton. At the end of 1923 there were 21 wells in operation, two more than were reported active at the beginning of the year.

At the end of 1922 there were 1981 productive wells in operation and at the close of 1923, 2,060 were producing.

Power Development Grows Throughout World

Water Power Developments Throughout the World Compared — Europe Moving Faster Than America

In considering the water power resources of this country, it is of interest to turn elsewhere to see just what the situation is. The developed water power of the world in 1920 was about 23,000,000, according to an estimate made by the United States Department of the Interior in 1921. At the end of 1923, according to the best information available, it was about 29,000,000 horsepower, an increase of 26 per cent. in about three years. The increase was about 1,500,000 horsepower in North America, 3,400,000 in Europe, and 1,000,000 in Asia. Europe as a whole has passed the United States in the rate of development of water power, which has been forced on all the industrial countries except Great Britain by the high price of coal. The increase in the production of electricity by water power in the United States for the same three years was about 20 per cent. The development of water power in the United States, although it is now going forward more rapidly than ever before shows a percentage of increase less than that in Canada, Europe, and Japan and in the world as a whole.

It is rather difficult to co-ordinate estimates of water power for several countries, particularly estimates of potential water power resources, because of the varied way in which these figures are compiled by the different nations, and because of possible inaccuracies in the data which underly the figures, but the amounts which have been shown above may be taken as being substantially correct.

The figures given below indicate the potential and the developed water powers of the world by continents. In dealing with figures of this sort, it is to be remembered that the potential figures represent power available for 90 per cent. of the year and also the fact that in many cases installed capacity can often be brought up to three times the power available at low water. Thus in the case of Canada it might be possible in the years to come to bring our total installations up to say 50,000,000 h.p. though, of course, this amount would not be available at all times. In other words, by various means, such as storage reservoirs, it becomes possible to hold back water for a certain period and then employ it in generating electric energy.

These are the world's water power resources:

	Developed h.p.	Potential h.p.
North America		
Canada	3,500,000	18,250,000
U. S.	10.000,000	35,000,000
Others	500,000	12,750,000
Total	14,000,000	66,000,000
South America		
Total	675,000	54,000,000
Asia		
Total	2,000,000	69,000,000
Africa		
Total	14,000	190,000,000
Australasia		
Total	220.000	17,000,000
Europe		
Austria	439,000	1,660,000
British Isles	250,000	850,000
France	2,100,000	5,400,000
Germany	1,100,000	2,000,000
Italy	1,800,000	3,800,000
Norway	1,820,000	9,500,000
Sweden	1,416,000	8,000,000
Switzerland	1,490,000	2,500,000
Others	1,885,000	23,290,000
Total	12.300,000	67,000,000
Recapitulation		
North America	14,000,000	66,000,000
South America	675,000	54,000,000
Europe	12,300,000	57,000,000
Asia	2,000,000	69,000,000
Africa	14,000	190,000,000
Oceanica	200,000	17,000,000
Approximate total	29,000,000	453,000,000

Immense Plants Are Order Of the Day at Present Time

Special interests attaches to water power activities of the present time when compared with those of a few years ago, in the magnitude of individual developments and the speed achieved in their construction. Where a few years ago blocks of ten to twenty thousand horse power were thrown upon the market, now plants in excess of one hundred thousand horsepower are brought into operation in a single year. Modern construction methods have also advanced to meet the demand for speedy development so that it is not uncommon for plants of large magnitude to be completed within the space of twelve months.

NORTHWESTERN UTILITIES LIMITED

Supplies Natural Gas to the City of Edmonton

THIS Company supplies Natural Gas to the City of Edmonton, and five towns along its transmission line from the field at Viking, which is about 80 miles from the city.

Gas was first turned on in November, 1923. There are already 5,100 consumers connected up. It is estimated that this number will have increased to 6,800 by the end of the present year.

FIRST THREE MONTHS' OPERATION

	Actual	Estimated
Gross Revenue	$281,288.28	$268,796.00
Operating Expenses	36,089.17	33,252.00
Gross Income	$245,199.11	$235,544.00
Deductions		
Interest on Funded Debt	$ 55,983.12	$ 56,070.35
Interest on Unfunded Debt	6,206.76	4,200.00
Taxes	11,478.58	11,332.89
Rent for leased property	6,018.69	1,910.70
Amortization	34,220.75	32,780.00
Depletion	41,064.90	39,336.00
Total fixed charges	$154,972.80	$145,629.94
SURPLUS for period	$ 90,226.31	$ 89,914.06

C. J. YORATH,
President and Managing Director

The Steady Development of this Industry Results in Definite Benefits to the Consumer that are Assured by Ample Safeguards

CONSUMERS' GAS COMPANY

# of TORONTO

The Virtues of Public and of Private Ownership

IT IS inherent in the very nature of such an organization as the Consumers' Gas Company that it must be more or less of a monopoly. An overlapping service, with the heavy costs entailed in installing such service, would make competition ruinous for the companies and unsound for the consumer.

The Consumers' Gas Company is a private undertaking financed by private capital, but so intimately are the interests of the company interwoven with the interests of the public, and so dependent are the public, by reason of its monopoly, upon this service, that numerous safeguards have been set to protect the investor and the public, so that each may be assured of equitable treatment.

The Consumers' Gas Company, therefore, has all the interested initiative and enthusiasm that goes with private enterprise coupled with the public supervision and government that is the mark of the public undertaking. The result has amply justified these conditions, and in the course of its long service the company has given the public an efficient and moderate-cost service, and its shareholders, a sound and profitable investment.

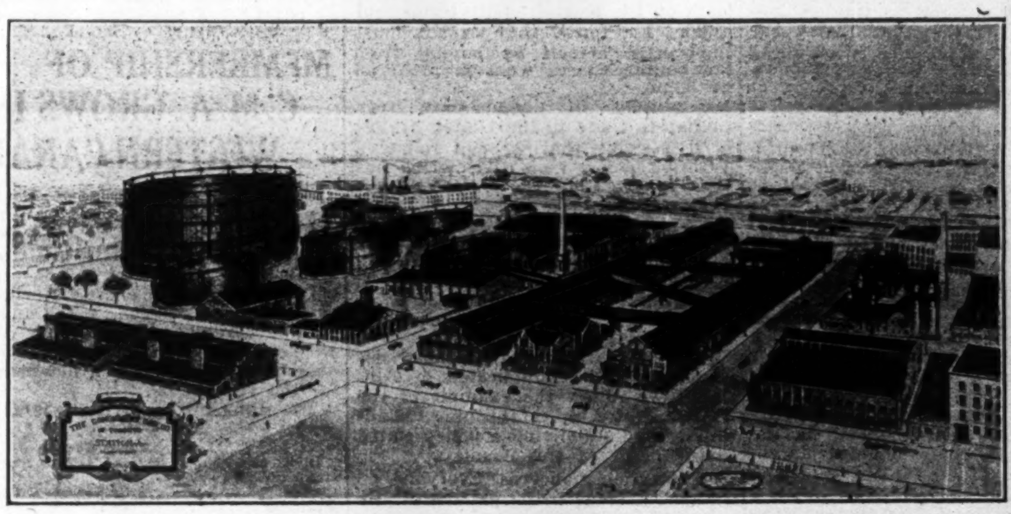
The company was brought into existence by the special act of the Ontario Legislature in 1848, and has given an uninterrupted service to the present time. During that stretch of years it has seen the whole character of the business change. Originally incorporated to supply gas for illuminating purposes, the past years have seen that purpose almost entirely superseded. It depends now on the demand for domestic cooking purposes, and the large and developing demand for industrial purposes, that during the past ten years has become an important factor in the Company's business.

The Investors' Interests are Considered

IT IS obvious that a company of this character must be assured of an adequate profit, in the interests of both the consumer and the shareholder. If it did not do so, the service would have to be discontinued, to the obvious hardship of the consumer. On the other hand, the consumer has a right to be protected against the possibility of the company making undue profits.

The company's charter safeguards both these points. The dividend payable is fixed, by statute, at 10 per cent. The statute also provides that there shall be set aside out of earnings a renewal fund that shall be five per cent. of the value at which the plant and buildings, in use by the company, stand on the books at the end of the fiscal year. In addition all premiums realized on the sale of capital stock go to this fund.

All ordinary repairs and renewals are chargeable against this fund. And, if in any year the income falls below the amount necessary for proper maintenance of the service and the payment of the stated dividend, this fund can be called upon to make up the deficiency, and rates may then be increased to a sufficient extent to repay this deficiency, and to provide for regular dividends. In this way the interests of both the consumer and the investor are safeguarded.



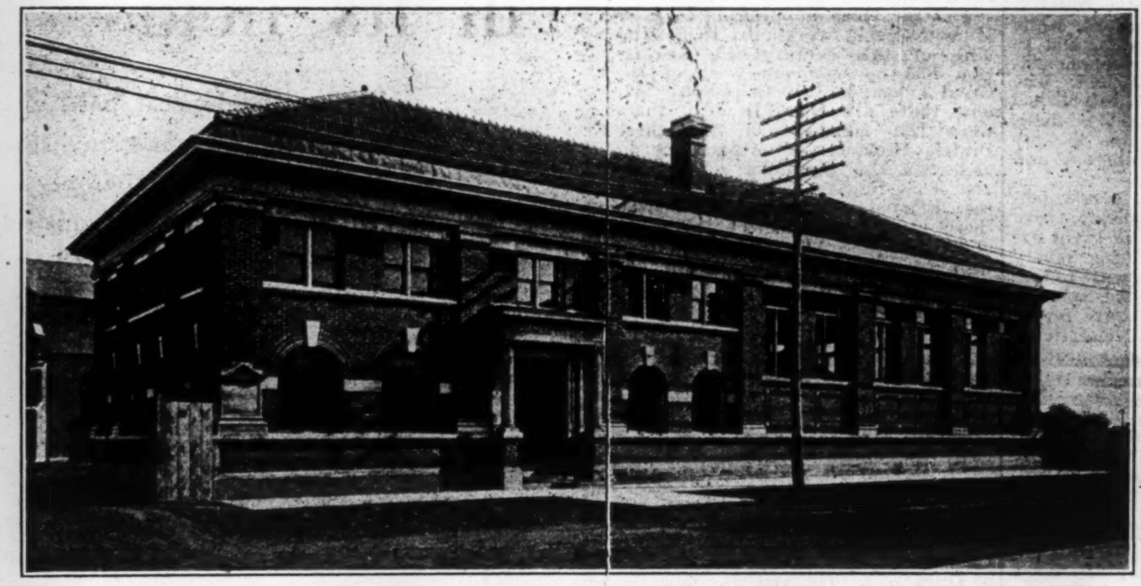
Station A — Front Street East

The Public Has Ample Protection

THE consumer has a similar protection against a possibility of the rates being unduly high. The statute provides that if, in any year, the net profits of the company exceed the amount necessary to pay the dividend, maintain the Reserve and Renewal Funds, and pay the directors' fees, the surplus must be credited to a special surplus account, that shall be used to reduce prices, when this account equals 5 cents per thousand cubic feet on the quantity of gas sold during the previous year. As an assurance that this condition will be systematically adhered to, the Mayor of the City is ex officio a director of the company and is entitled if he deems it advisable to appoint an auditor to represent the city's interests in checking over the account, and such auditor is entitled to access to all necessary documents.

As a matter of history, it has never been necessary to invoke this provision. The Company has always reduced its rates even before it became necessary for them to do so under this provision. It has, at the same time, maintained a wholly adequate and satisfactory service. The steady growth of this service is a matter for congratulation on the part of the consumer, who is thereby assured of reduced rates, and by the investor, who is assured of a steady and profitable investment.

That the policy and government of the company is all that could be desired is evidenced by the fact that Toronto citizens purchase gas at a lower rate than the citizens of any city of similar size on the continent. While an uninterrupted dividend record of seventy-two years, during fifty-seven of which the rate has been 10 per cent., indicates its satisfactory position as an investment.



Meter Building and Offices, Station B.

Directors of the Company

A. W. AUSTIN, President
A. R. AULD
A. H. CAMPBELL
L. GOLDMAN
F. LeM. GRASETT, M.D.
Vice-President
LIEUT.-COL. J. F. MICHIE
W. MULOCK, K.C.
F. G. OSLER
T. H. WOOD
HIS WORSHIP THE MAYOR
ARTHUR HEWITT
General Manager
JOHN J. ARMSTRONG
Secretary

This Industry has provided a Thoroughly Satisfactory Public Service for Over Half a Century at a Minimum Cost to the Consumer, while Economic Management has Protected the Interests of the Shareholders.

The Plant and Properties of the Company

The plant of the company is divided into three units. Station A comprises an area of 10 acres of very valuable property, close to the heart of the city.

This plant has a manufacturing capacity of 10,000,000 cubic feet of gas per day. Station B covers a property of 32 acres. On this property is erected one of the most modern and highly efficient gas works on the continent, with a daily capacity of 12,000,000 cubic feet. Station C is a holder station for supplying the western and northern sections of the city. The company has acquired land on Weston Road, West Toronto, for plant extension purposes.

In addition the company has valuable properties in the heart of the city for office, retail sales and repair work.

CANADA'S INDUSTRIAL PARLIAMENT DISCUSSES NATIONAL ISSUES

The Tariff as a Factor in Canadian Prosperity

Not Protection for the Manufacturers Alone But Stabilizer in Industry With Material Benefits for the Farmers and the Urban Populations

By COLONEL ARTHUR HATCH.
President, Canadian Manufacturers' Association, in annual address.

World trade conditions are improving. Old channels of commerce, dislocated and, in some cases almost destroyed, by the war, are resuming their natural courses, and new channels are forming. Reservoirs of wealth, nearly drained dry by war's demands, are refilling. The period of restoring physical damage is passing. Currencies are appreciating; buying power is reviving; the adoption of the Dawes plan has given a greater measure of confidence in Europe. Stable governments are gradually replacing those elected in the feverish atmosphere succeeding the war. The machinery of the world's trade has been repaired and is beginning to run again.

The Situation in Canada

Canada, in common with other countries, is sharing in this general improvement throughout the world. In Canada there are also encouraging domestic factors. Owing to shortage in other countries, recovery of exchange and other causes, the prices of farm products have risen considerably, with the result that the purchasing power of the agricultural population has been greatly increased. It is reported from reliable sources that farmers, according to their ability, are paying off mortgages, liquidating bank loans, settling outstanding bills with merchants, making investments, and adding to bank accounts. This doubtless explains why the increased value of farm products has not been reflected in a greater demand for manufactured goods, but this may come later. The country's total external trade shows a substantial surplus of exports over imports; the exports for the year ending March, 1925, being $1,081,361,643 and the imports being $796,932,811.

On the other hand, there are factors that are not encouraging. The total external trade of Canada for the year ending March, 1925, was $1,878,294,454, as against $1,952,130,164 for the year ending March, 1925, a decrease of $73,835,710.

Railway earnings decreased, and, while part of the decrease is due to the fact that the wheat crop of last year was smaller than that of the previous year, there is also a significant reduction in the amount of iron and other basic materials carried by the railways. During the five years ending 1923 the tonnage handled by Canadian railway companies showed a smaller rate of increase than the tonnage received from United States connections; in other words, the tonnage of importations from the United States increased to a greater extent than tonnage originating in Canada.

The cost of railway transportation has not been reduced in proportion to the reduction of industrial and agricultural production costs, and the present competition tends to increase rather than to diminish railway expenses. Co-operation is suggested, but it is difficult to see how it can be practically applied sufficiently to reduce both the cost of transportation to the public and the annual deficits of the Canadian National Railways unless a great increase in freight and passenger traffic can be developed in the immediate future.

The stream of Canadians is still flowing south and, while some are returning and some immigrants are arriving from Europe, on the whole, it is doubtful if the country is retaining the natural increase of the population.

Every year since the slump of 1920 we have been told that prosperity is just around the corner. Experienced business men, including members of the association in all the provinces who, in the years following 1920, said that national conditions were unsatisfactory, were sometimes charged with being pessimistic and were told that they should be optimistic.

But time has verified their statements. During the five years intervening between the spring of 1920 and the present time, Canada has passed through a very trying period.

What of the future? When we assemble in annual meeting a year from now, will prosperity still be just around the corner?

From their own knowledge and experience, how many financial, commercial and industrial men will state that business is better to-day than a year ago?

What Is Needed

The chief cause of Canada's material troubles is the failure of Canadians to provide for themselves a suitable policy of national development. The first necessity for Canada is to balance her trade with the United States. This is out of proportion to a serious extent, as the following official figures for the past ten years indicate:

Fiscal Years	Imports into Can. from U. States	Exp. into the U. States fr'm Can.
1915	$428,616,927	$215,409,326
1916	398,693,720	320,225,080
1917	677,631,616	486,870,690
1918	791,906,125	441,390,920
1919	746,920,654	477,745,659
1920	801,100,700	501,130,117
1921	856,176,820	560,701,936
1922	515,958,196	304,104,177
1923	540,989,738	380,347,721
1924	601,256,447	441,642,909

During these ten years we bought from the United States $2,229,682,408 worth more than the United States bought from us. This sum is almost equal to the national debt of Canada.

During the same ten years the statistics of Canadian trade with the United Kingdom are as follows:

Fiscal Years	Imports into Can. from U. Kingd.	Ex. into the U. Kingd. from Can.
1915	$90,160,781	$211,758,863
1916	80,108,795	463,081,241
1917	121,763,214	756,071,077
1918	81,324,283	861,073,399
1919	73,035,118	560,839,116
1920	126,359,249	495,960,118
1921	213,973,562	314,228,671
1922	117,135,343	300,363,193
1923	141,330,143	379,918,526
1924	153,586,690	361,160,802

During these years we sold to the United Kingdom $3,505,677,828 worth more than the United Kingdom sold us; but we took most of this trade balance, including the proceeds from the sale of most of our exportable farm products and spent it in the United States chiefly for manufactured goods. It is both necessary and desirable that Canada shall continue to trade with the United States, and that the relations between the two countries shall remain on the most friendly terms, but it does not follow that Canada must impoverish herself by buying from the United States what is produced at home.

Conditions in Canada are very similar to those in the United States. Is it possible that we can follow a different policy from that which has been followed by the United States successfully?

The development of the United States under the protective system has been rapid, extensive, and well balanced. The country is strong in agriculture, industry, transportation, finance and other departments of national activity.

A great part of that national development can be duplicated in Canada if we follow the example of the United States in establishing, maintaining and stabilizing a policy suited to the needs of this country.

Protection Concerns Everyone

Consider what would happen to any city or town in Canada if all its factories were removed. Who would be affected? Only the factory owners and their employees? By no means. The surrounding farmers would lose the sales of farm produce formerly made to those supported by the industries. Their lands would decrease in value. The merchants would lose customers. The professional men would lose clients. The railways would lose freight. Workmen supplying the needs of factory employees would have less to do. Students educated at great expense, could not get positions. The banks would lose business. There would not be one person in such a city or town who would not be affected adversely, directly and indirectly.

During the six tariff reductions beginning with 1919 Canadians have experienced painful proofs of the truth of this statement.

For Tariff Board

Protection is a national question which goes directly to the root of every large problem that confronts us. Any party in power should ensure that its fiscal system is promoting national development. Tariff rates should be taken out of political discussions and should be fixed according to the needs of the country. A tariff commission or board, while useful to gather information and to make investigations and recommendations, is not in itself sufficient. The proper policy should be established by parliament. When that is done, the framing of tariff rates is only a matter of careful, intelligent and impartial administration.

If Canada embarks on a new policy of national development, there is no doubt that a period of great expansion and prosperity for every section of the country will follow. Why should Canadians hesitate to adopt such a policy? We have fertile land, raw materials, coal, electricity, agricultural and technical education, well-equipped factories, thousands of loyal employees, anxious about the future of their occupations, an intelligent and industrious population, and, in brief, everything necessary to maintain and extend a productive system which will supply practically all domestic needs, and also export great quantities of Canadian products. The people of Canada, taken as a whole, are convinced that the best interests of Canada will be served by supplying the needs of the population with products from Canadian farms and factories, and that this cannot be done in a world were every other country is enclosed by protection tariffs, unless Canada follows their example. Unfortunately, Canadians are continually disagreeing about tariff rates. "High tariffs" and "low tariffs" are terms constantly used on the platform and in the press; but these expressions really mean nothing unless used comparatively. What is a "high tariff?" What is a "low tariff?" A new country is very much like a farm that a pioneer cuts out of the wilderness. Almost the first thing he must do is to build a fence around it. Then, within the protection of his fence, he develops his land and harvests his crops. He does not argue about "high fence" or "low fence." He builds a fence that serves the purpose. Why cannot we make a customs tariff in Canada on the same principle?

Even with the small and uncertain amount of protection that Canada has afforded her producers, urban communities largely dependent upon industries, now absorb the greater part of all that is produced on the farms. A careful analysis of the five latest years for which official statistics are available has been made

(Continued on page 39)

Criminal Code Sufficient in Dealing With Trade Combines

From the Report of the Legislation Committee to the annual meeting of the C.M.A.

An interim report was issued in February last, by a special commissioner, appointed last July under the Combines Investigation Act, 1923, to investigate an alleged combine said to exist among dealers in fruit in British Columbia, and elsewhere, for most part members of the Nash organization or Growers' Sages Agency resulting in the control of prices to the detriment of both producers and consumers. The report refers to conditions as found in the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba.

The recommendations of the commissioner are, inter alia, that it be made unlawful for any combine, (as defined in the Combines Investigation Act, 1923) operating or controlling a chain of jobbing houses, dealing in the products of the soil, to operate, or in any way control the operations of the business of broker or factor handling the products of the soil; and he concludes that "consideration be given to the desirability of passing legislation similiar in principle to the anti-trust legislation of the United States of America."

It will be recalled that the Privy Council in 1921 held that the Board of Commerce Act and the Combines and Fair Prices Act, 1919 which took the place of the Combines Investigation Act of 1910) were unconstitutional inasmuch as they seriously interfered with "property and civil right in the province," a subject which is reserved, to the provincial legislatures, by the British North America Act.

It seems doubtful, therefore, if the adoption of further legislation, similar in principle to the anti-trust legislation of the United States of America, would be constitutionally admissible.

In cases where illegal combinations, such as attempts to create monopolies, with a view to raising prices unduly, are shown to exist, the necessary machinery to deal with them is already provided by the Criminal Code of Canada, or by the present Combines Investigation Act, 1923, in its present or amended form, so long as it is applied with necessary discrimination.

MEMBERSHIP OF C. M. A. GROWS IN WESTERN CANADA

But Losses Suffered in Quebec and the Maritimes

During the year ending April, 362 new members joined the Canadian Manufacturers' Association; those whose memberships were cancelled numbered 293; leaving a net increase for the year of 69.

The summary by divisions is as follows:

Divisions	Applications	Cancellations	Standing
Ontario	151	124	Gain 27
Quebec	67	83	Loss 16
Maritime	19	32	Loss 13
Prairie	52	38	Gain 14
British Columbia ...	73	16	Gain 57

The reasons given for cancellations of memberships are classified as follows:

Out of business	44
Non-payment of fees	22
Resignations	28
Amalgamations of firms	16
Additional representatives no longer eligible	9
Additional representatives no longer required	33
Company re-organizations	3
Belonging to other trade organizations	5
Economy owing to trade conditions	73
In liquidation or not operating	60

Of the 362 new members who have joined the association very few are starting manufacturing. The majority are small firms that have been frequently asked to join the association but have not done so until this year.

On the other hand, many of those who have been forced to resign owing to failure arising out of present business conditions are among the oldest manufacturing firms in Canada and have been loyal supporters of the association for many years.

It is reported that 125 new members have been secured in the four western provinces. The growth of the association in these provinces is one of the most encouraging features of membership work. At the beginning of this century the association had no members west of the Great Lakes; in 1910 there were 236; now there are 809. In 1916 there were 289 members on the three Prairie Provinces of Alberta, Saskatchewan and Manitoba; now there are 483. In September, 1923, when the Edmonton office was opened, there were 88 members in Alberta; now there are 180. In 1916 there were 65 members in British Columbia, now there are 326.

RECIPROCITY IN SUCCESSION DUTIES

Arrangements Which Have Been Made in the Various Canadian Provinces

From the Report of the Legislation Committee to C.M.A. Annual.

The first Succession Duty Act in Canada was passed by the Province of Ontario in 1892, and was modelled upon the acts of New York and Pennsylvania. Our provincial legislatures could never be justly accused of lack of enterprise in adopting new ideas in legislation, more particularly when they embody new forms of taxation; and within two or three years all the then existing provinces of Canada had outfitted themselves with succession duty acts. From that time on, the legislatures have frequently amended these acts, so that we find ourselves to-day under the necessity of studying succession duty acts of the nine provinces of Canada, each of which has been frequently amended, and no two of which are identical in terms. All but one of the provinces have sought to impose succession duty on the entire estate of decedents dying domiciled in the province, whether such estate is situated within or without the province (with the single exception that real estate outside of the province is not taxable for succession duties), in addition, to tax the assets in the province of a decedent dying domiciled elsewhere.

The Legislature of Ontario at the recent session provided for fuller reciprocity between Ontario and other parts of the British Dominions in respect of succession duties.

Quebec has not, up to the present time, agreed to reciprocate in this matter with any other province, but it is hoped that negotations between Quebec and Ontario with regard to double taxation on successions will be shortly concluded by a satisfactory agreement.

Alberta does not tax assets outside that province.

New Brunswick has entered into reciprocal arrangements with Great Britain only.

British Columbia has entered into reciprocal arrangements to the same effect with Great Britain and with Ontario.

Still Nothing Done for Uniformity in Taxation

From the Quebec Section. Legislation Report to C.M.A. Annual.

It is unfortunate that another year has passed without some specific advance having been made by the provinces in the direction of unformity of corporation taxation. As the situation exists at the present time, every province has its own particular law, and its peculiar method of taxation, with the result that a corporation doing business throughout Canada has great difficulty in making itself familiar with the taxing legislation of the different provinces. Your legislation sub-committee would strongly commend any well-directed effort towards bringing about greater uniformity of legislation as it affects our large business corporations.

Made-in-Canada Movement Has Still Much to Accomplish

Balance of Trade in Manufactured Goods Was Favorable in 1924 by Small Margin, But Imports Were Great—Opportunities in Export Trade

From the report of the Commercial Intelligence Committee at the C.M.A. Annual Meeting.

On very high authority from Ottawa, we have the statement that although the total value of manufactured goods entering Canada in 1924 exceeded 534 millions of dollars, three millions more, or a total of over 537 millions of dollars' worth of manufactured goods were exported from Canada. Since our exports are only one-sixth to one-fifth of our total annual production of manufactured goods surely no better testimony can be offered as to the efficacy of the Made-in-Canada campaign or as to the desirability of concentrating our efforts on the replacement of imported goods with those of Canadian production. We are about 2 billions to the good, but still have 534 millions of imported goods against which to make headway.

A survey of the increase or decrease in export trade of individual firms in 1924 over 1923 was recently made by your committee. There are here presented some general conclusions drawn from this survey. During 1924, 166 export markets were entered by Canadian manufacturers for the first time. In numbers, these were divided almost equally over the following arbitrary world divisions: Great Britain and Europe; North, South and Central America and the West Indies; the British Overseas Dominions; and Asia. Apparently no one section is specially favored. Canadian manufacturers, making use of increased banking, shipping and selling facilities, making use of their increased knowledge and experience and acting under the strong urge of none too favorable domestic conditions are scouring the seven seas in the hope of keeping their wheels turning. Of the returns under examination, those reporting increases averaged $100,000 more export business in 1924 over 1923. Those reporting decreases averaged $86,000 less than in 1923. The total number of firms showing increases was more than three times the number indicating decreases while about the same proportion just held even with 1923.

Provided the same proportions held good in considering the total number of Canadian exporting manufacturers, a total increase of $57,000,000 in export trade in manufactured goods in 1924 over 1923 would be recorded. While an increase in any sort of business these days sounds like very pleasant news indeed, the edge of the plow point opening the furrows to new fields of profit loses a bit of its keenness when the interpretation put on a great increase by one number, whom we quote, is considered as applicable generally to the majority of exporters. "We deliberately accepted export business during 1924, in some cases at a very distinct loss, in order to balance our production and provide continuous work on certain groups of machines that would otherwise have been idle. We have always taken the view that when the domestic market is depressed it is good business to round out a predetermined running schedule with export business."

A few manufacturers more happily placed or longer established in numerous steady markets may be making a small profit, but the great majority count themselves fortunate if they can clear all their overhead applying reduced costs from greater production in lowering the price to Canadian consumers. If they make a profit so much the better for them, for Canada's trade balance and for the Canadian consumer. If they break even, the trade balance and the Canadian consumer are helped. If they lose, the manufacturer shoulders the loss himself. Whatever happens the Canadian consumer cannot be the loser and with close and skilful attention the Canadian manufacturer can build up his export business and make better profits either directly of indirectly. For these reasons, your committee considers the development of export trade one of the most vital questions associated with Canada's trade and commerce to-day and has no hesitation in suggesting a continuance of the development policy that has been followed in recent years by the association.

There is one point in particular that is not as generally recognized as it should be in connection with the operation of utilities and which is of interest to the investor. The ordinary industrial concern turns over its capital from once to eight times annually. In many cases, even more frequently. The utilities, on the other hand, can only turn over their capital once in every four to eight years. This partly explains why these companies, for expansion purposes, need so much new capital.

The Financial Post has the largest paid circulation in its field

It has the largest paid circulation of any Canadian business, investment or financial publication. It is the only financial publication in the world submitting its circulation to analysis by the world authority on circulations—The Audit Bureau of Circulations.

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The records of the Standard Rate and Data Service, based upon information supplied by publishers themselves, quotes the circulation of Canadian financial papers as follows:

The Financial Post—Net paid A.B.C.	7,636
Second paper—Total. Not sworn	7,270
Third paper—Total. Not sworn	5,119
Fourth paper—Total. Not sworn	3,748
Fifth paper—Total. Not sworn	2,800
Sixth paper—Up-to-date circulation figures not available.	

Notice that only the circulation of The Financial Post is sworn to, audited or independently checked in any way.

The circulation claims made by The Financial Post are not unsupported statements but proven facts.

The Standard Rate and Data Service is recognized as the most authoritative record of circulations of publications. The Audit Bureau of Circulations is the dependable auditor of publisher's claims.

You can ALWAYS get a detailed analysis of circulation of The Financial Post on request, and when you get it, you can rely on it.

SMALLER WHEAT CROP CUT INTO RAIL EARNINGS

Expenses Curtailed to Meet the Reduction in Revenues

From Report of Transportation Committee at C.M.A. Annual.

The results of operations of all Canadian railroads reporting an annual operating revenue of $500,000 or over in 1924, were not as favorable as the showing made in the year 1923 as indicated by the appended brief summary taken from statistics published by the Dominion Bureau of Statistics. These figures, being compiled from preliminary reports, are subject to revision on receipt of final returns from the carriers, but for the purpose of showing the general situation are substantially correct:

	1924	1923
Revenues	$441,249,525	$471,236,427
Expenses	$377,595,592	405,893,061
Inc. (after deduction of taxes; rents, etc.	56,410,365	58,685,047
Rev., tons moved..	103,060,568	112,740,190
Rev., tons 1 mile	30,407,690,912	33,933,180,568
Payroll	$231,517,862	$246,444,727
Exp. to Oper. Rev.	85.57%	86.13%
Payroll to Rev.	52.5 %	52.1 %
Payroll to Exp.	61.3 %	60.7 %

The falling off in gross tonnage was due to the smaller yield of wheat in 1924 as compared with abundant crop of 1923, coupled with decline in manufactured products and raw materials. The figures in this connection are interesting:

Decline 1924 as Compared with 1923	
Coal	5,433,157 tons
Bar, Sheet and Structural Iron..	639,105 tons
Other Iron & Steel Manufactures	471,162 tons
Miscellaneous Manufactures	844,877 tons
Merchandise, l.c.l.	327,538 tons
Brick and Artificial Stone	135,686 tons
Forest Products	872,316 tons

This decline in tonnage was accompanied by materially reduced operating expenses, the largest reductions occurring in transportation, maintenance of equipment and maintenance of ways, in the order named.

Canadian National Railways

The Canadian National Railways (Canadian Lines) experienced a similar falling off in freight and passenger revenue as other lines. Economies effected in transportation, together with material cuts in maintenance ways, and equipment, however, practically offset the reduction in revenues, so that the total decrease resulting in net operating revenue was only $86,459, and operating income, which is the sum remaining after deductions for tax accruals; and adjustments for hire of equipment, and joint facility rents, shows a slight increase of $221,629 over 1923. Operations on the lines in the United States, however, fell considerably below the 1923 record, and the net revenues for the entire system, therefore, aggregated some $3,186,398 less than 1923.

The following interesting data issued by the Canadian National Railways show operating results by regions:

Atlantic Region	
Operating Revenues	$20,721,399.54
Operating Expenses	24,266,403.78
Net Earnings ......(Deficit)	$3,545,004.24
Central Region	
Operating Revenues	$114,564,818.39
Operating Expenses	$ 98,131,371.43
Net Earnings	$ 16,433,446.96
Western Region	
Operating Revenues	$ 65,938,275.20
Operating Expenses	$ 67,062,628.69
Net Earnings ...(Deficit)	$ 1,124,353.49
United States Lines	
Operating Revenues	$ 34,363,689.42
Operating Expenses	$ 28,883,527.17
Net Earnings	$ 5,480,162.25

TAXES DISCOURAGE NEW DEVELOPMENTS

Little Hope for Capital and Immigration in View of Comparatively Heavy Levies

From Report of Legislation Committee to C. M. A. Annual.

The proceeds from the Business Profits Tax and the Income Tax for last fiscal year ending March 31, 1925, as compared with previous fiscal year, were:

	In 1924	In 1925 (Estimated)
Business Profits Tax	$4,752,680	$2,400,000
Income Tax..	54,201,027	56,550,000

Thus the business profits tax, which now applies only to arrears, as the tax itself has long since been discontinued, shows a decrease of $2,350,000, on the previous year, while the income tax shows an increase of $2,350,000, making the total receipts from the two sources about the same as last year.

Between the years 1913-1920, the net debt of the Dominion rose from $41.76 to $360.77 per capita, and the provincial and municipal debts have also been largely increased.

Income taxes in Canada in 1925 stand at the old figure, while in England there was a reduction of 25 per cent. on the normal rate of taxation in 1924 as compared with 1922, and in the United States they have been reduced materially on the principle that high income taxes are bad for business. On incomes of $3,000, the Canadian levy is $40, while in the United States, it is $7.50. Here we pay $126 on $5,000 income; in the United States, the tax is $37.50. On a $10,000 income, our rate is $619.50, while in the United States, it is $207.50. On an income of $100,000, our rate is upward of $10,000 over the United States levy. A comparison of these figures leads one to ask how Canada expects to stand up in competition for population and capital under such an excessive handicap.

CANADA'S PLATINUM OUTPUT

OTTAWA.—Finally revised statistics for 1924 on the production of platinum, as reported by the Bureau of Statistics, show that except for a small amount of 5 ozs., which was recovered from British Columbia placers, the total output of 9,186 ozs., was derived from the copper-nickel ores of the Sudbury district.

Canada is the Only Country to Reduce Tariff Since the War

From the Report of the Tariff Committee to the Annual Meeting of the C.M.A.

Official announcement recently issued from London and Washington states the reasons given by oher countries for increasing customs import tariffs as follows:

(1) To protect domestic industries against the importation of foreign competitive products.

(2) To encourage the strong nationalistic sentiment engendered by the war, which aimed to make each nation economically self-dependent to the fullest extent possible.

(3) To increase the national income without extra cost, because custom houses have to be maintained whether the tariff is for revenue or for protection.

(4) To meet the increased need for funds to pay the heavy burden of governmental debts incurred during the war.

(5) To provide additional freight for national transportation systems.

(6) To provide a safe basis for making reductions in bargaining with other countries for preferred markets for exportable commodities without permitting such preferential tariff reductions to cripple domestic industries.

(7) In brief, to give maximum employment and prosperity at home.

Since the last annual general meeting 22 countries have increased the rates in their customers tariffs. Since the war 80 countries have increased tariff rates. These increases are not small percentages. In many cases the tariff rates have been increased two, three and four hundred per cent., and in a few cases over one thousand per cent. Some countries still prohibit by embargoes various importations that would injure their producers. While tariffs have been rising throughout the world, regulations governing their administration have become more strict. Practically all countries have greatly increased the protection for their home markets. They have been shutting out more and more the products of other countries, and have been encouraging their people to use their own products.

During and after the war the United Kingdom adoped certain definite protective measures. These were partially removed by the abolition of the McKenna duties, effective August 2, 1924; but the present government of the United Kingdom has introduced a new Safeguarding of Industries Act, under which it is proposed to provide protection for home industries suffering from exceptional competition from abroad arising from such things as depreciated exchanges, bounties or subsidies, lower wages or longer hours.

In May, 1921, the Fordney Emergency Tariff relating to agricultural products went into effect in the United States, and the Fordney-McCumber Tariff covering a complete revision upward of the United States tariff, went into force on September 22, 1922.

In 1920, the last year of the old United States tariff, the Democratic or low tariff, the dutiable imports into the United States were valued at $1,985,000,000, and the amount of customs duty collected was $325,645,565; in 1923 the first full year under the present United States tariff, the value of the dutiable imports into the United States was $1,656,110,659, and the amount of duty collected was $592,764,105. The value of dutiable imports in 1923 was reduced more than $300,000,000 below the value of the dutiable imports in 1920, but the customs duty collected in 1923 was $267,000,000 greater than in 1920. In other words, the increased tariff resulted in a large increase in revenue to the country, though at the same time there was a decrease in the quantity of dutiable goods imported.

Contrast the policy followed by Canada with that followed by the United States.

The reductions in the tariff of Canada have resulted in a greatly reduced customs revenue.

The Tariff as a Factor in Canadian Prosperity

(Continued from page 38)

in an endeavor to ascertain the percentage of Canadian farm products consumed in Canada. The total of farm products include field crops, farm animals, wool, dairy products. fruits, poultry and eggs, maple products and tobacco, and the enquiry shows the following percentages:

Years	Percentage of Canadian farm products consumed in Canada
1918	87
1919	83
1920	77
1921	80
1922	75
Aver. for the 5 yrs.	80

In other words, out of every hundred dollars' worth of farm products eighty dollars' worth stays in Canada.

Excluding the yearly production and exportation of wheat the percentages of Canadian farm products consumed in Canada for the same years were:

Years	Percentage
1918	91.3
1919	89.6
1920	90.8
1921	91.2
1922	90.7
Average for the 5 years	90.7

This statement shows very conclusively that the home market is of much greater importance to Canadian farmers than markets abroad. It follows, therefore, that a policy which reduces the purchasing power of the home market under normal conditions will restrict the sale of farm products and, on the other hand, that a policy that will augment the purchasing power of those engaged in industry and allied occupations will increase the demand for farm products. Thus the interests of agriculture and industry are clearly interdependent, and suffer or prosper together.

More freight and passengers will quickly solve our transportation difficulties. When goods are made in Canada, our railways get the freight on the raw materials carried to the factories as well as the freight on the finished products carried away from the factories. When goods are imported from the United States, our railways get no freight on raw materials and only the freight on finished products on the haul north from the international boundary.

Employment is the basis of national prosperity. The best policy is that which keeps the most people employed. Over one-quarter of the entire population is directly supported by industrial wages and a large percentage of the remainder is indirectly dependent upon industrial activity. Thousands of young women and men come to maturity every year and go out to look for work. Where will they get it unless our country develops? This has a bearing on the problems of immigation. If there is plenty of employment, immigrants need no inducement to come to Canada. If there is not enough employment for Canadians, why add to the idle population?

More capital is needed to develop the country, but it cannot be obtained unless stability of conditions, fair treatment and a reasonable return are assured. As a mater of fact, a large amount of Canadian funds is available for investment, but too large a percentage is going into bonds and mortgages, or lying in the banks, because investors desire more stability before risking their money in productive enterprises.

Before industry can expand, a large part of the home market must be guaranteed by adequate and stable tariffs, so that factories, by producing in large quantities, can reduce the cost of operation, and lower prices to consumers.

Taxation

Taxes in Canada are so heavy that they constitute a great burden on productive enterprises and on consumers.

The total gross production of Canada for the last year for which official statistics are available was $4,485,487,785. This includes agricultural, industrial and all other forms of production. The total net production was $2,728,906,285. During the same year the total taxes collected by the Dominion, provincial and municipal governments of Canada amounted to $627,902,769. Consequently in that year the Dominion provincial and municipal taxes took one quarter of the value of the net production and about one-seventh of the value of the gross production of this country. Canada is over-governed and under populated,—a costly combination. Political candidates are frequently elected by promising huge expenditures of public money, which, although giving a temporary stimulus to business, bequeath a staggering legacy of debt.

In considering expenditures all governments should realize that taxpayers cannot endure additional obligations and should be relieved gradually of part of the immense burden they are carrying.

Waste

Serious attention is being given to the elimination of waste in industry by the department of commerce of the United States, and some interesting and valuable information has been compiled. The statement that the United States and Canada are two of the most wasteful countries in the world will scarcely be challenged. A little examination shows how great is the waste in manufacturing, farming, lumbering, fishing and other occupations. It is not necessary to elaborate on the natural resources of Canada. Volumes have been published filled with accurate information on this subject. But the resources of Canada are not great enough to survive plundering and waste. One hundred years ago this part of Ontario was covered with the finest hardwood timber. If only part of it were still standing, it could be sold for enough to pay off the national debt and leave plenty over, but most of it went up in smoke. The waste from accidents is serious. The loss of life and property from fire is appalling. Cannot greater efforts be made by all Canadians to reduce waste, in all forms?

Canadian should forget sectional differences. These differences are largely figments of political imaginations and are kept alive by those who flourish by creating discord. One part of the country or one group of the population cannot prosper if other parts or groups are not prospering.

Quebec Southern Power Will Offer Bond Issue

From Our Own Correspondent.

MONTREAL.—The Quebec Southern Power Corporation will shortly be in the market with a bond issue. The issue will total some $750,000 and will be sold by a local bond house which has, in the past, been identified with other power issues.

The Quebec Southern Power Corporation is a consolidation of two power companies which operate in adjacent territories in the Laurentian district north of Montreal. The two companies which constitute the new incorporation are the Laurentian Hydro Electric and La Compagnie Electrique des Laurentides. Under separate management, both these constituent companies were successfully operated.

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Desirable Investments
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BACK of the tremendous growth has been the essential nature of the service. Power companies sell a commodity that has become almost as necessary to the territory it serves as the daily food supply.

Equally important factors are the persistent increases for large power requirements from all branches of industry and the ability of power companies to meet it and at the same time reduce their overhead costs. The net result of this tendency is shown in the steady rise in earnings.

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MILLIONS DAILY PUT IN PRIVATE U. S. UTILITIES

Customers and Employees Join in Recognition of Sound Basis

NEW YORK.——What constitutes perhaps the most remarkable record in the annals of corporate financing in the U. S. was revealed when H. C. Abell, president of the American Gas Association, stated that during the first four months of this year the American people had invested their savings in the securities of public service companies at the almost unbelievable rate of $5,000,000 a day, $212,000 an hour or $3,500 a minute, Sundays and holidays included. With a continuation of this present rate of new financing, he estimates that approximately $1,825 will have been obtained by the gas, electric light and power, street railway, water, telephone and telegraph companies in 1925.

Mr. Abell said that this money had come from mililons of Americans, a large percentage of them customers and employees of the companies themselves. Latest available statistics show that the public utility industry has about 5,200,000 security holders, divided about evenly between stockholders and bond holders. The banks and life insurance companies hold about $4,000,000,000 of utility securities, which makes all the insurance policy holders, bank stockholders and depositors throughout the country vitally interested in properly maintaining public necessities.

"The most remarkable development, however, and one showing striking evidence of the faith of the American people in the principle of private operation of essential utility services under the present system of public regulation, is the tremendous growth in the number of customer shareholders," he explained.

"When the users of our service invest their savings in our securities, they not only evince faith in the honesty and integrity of the executive management of our business but they believe that under such management the public service business will witness its greatest expansion—an expansion which will not only safeguard their investments but assure them of the conveniences of life that every modern American demands.

"Since January 1, 1918, more than 800,000 users of our service have purchased the securities of their local companies, with the number growing by leaps and bounds at the present time. To-day the public service companies have their securities more widely distributed than all the other industries of America combined. The direct results of all this remarkable expansion are that our relations with the public are on a better footing than ever before, that public regulation of our business is more reasonable and based upon sounder principles than at any time since the commission form of regulation began and that our securities not only demand the confidence of our customers but enjoy a high standing in the financial markets of the world."

Engineers Now at Work On New Abitibi Lines

Abitibi Power & Paper Co., in regard to their purchase of Island Falls power plant from Hollinger Consolidated, says engineers already are locating the power line from plant to mill. Present installation is two 12,500 k.v.a. generators in a power house adequate to instal two similar ones. The latter will be installed while the power line is being changed, so that the plant will be ready to deliver full power within four months.

Electric boilers are being installed at the mill to use the new power, and plans are being made to increase the mill by addition of two or three new paper machines. This will strengthen the position of Abitibi in the proposed Spanish River-Abitibi merger which is again strongly rumored. It is understood Abitibi will float a bond issue for the new power plant purchase and extensions. If the merger should go through, there would presumably be sufficient cash in the combined treasury to permit installation of the new paper machines without recourse to the public.

CALIFORNIA HAS SET U.S. PACE IN BRANCH BANKING

(Continued from page 9)

Pacific Southwest is next with 90. The Mercantile Trust Co., of California has 55 and the Security Trust and Savings Bank, 42.

The activities of the branch in southern California are better understood from some of these interesting figures. Since Sept. 14, 1923, the number in southern California has increased 93, and of this number, the state banks added 69 in the city limits of Los Angeles. The national banks now have 27 agencies in the city and none outside, in accordance with the ruling of the Comptroller of Currency. The state banks have 158 branches in the city.

In New York City the Corn Exchange Bank is the pacemaker in the branch business. It has 60 branches, it is estimated, and the Bank of Manhattan Co. has 32. The Irving Bank-Columbia Trust Co. has 15; the Mechanics and Metals National Bank, 14; Public National Bank, 14; Chatham Phenix National Bank and Trust Co., 13: Colonial Bank, 12; Manufacturers Trust Co., 12; Greenwick Bank, 11, and State Bank, 11.

Some of the larger Wall St. banks also have branch offices located at important points. The Chase National has 7; Bank of America 7; Chemical National, 2; National City Bank, 6; Seaboard National Bank, 2; Bank of New York and Trust Co., 1; Bakers Trust Co., 2; Equitable Trust Co., 2, and the Guaranty Trust Co., 2.

From these statistics it is evident that branch banking has caught the fancy of the nation's bankers to a greater extent probably than most people realize. Various legislative expedients have been attempted by the opponents of the system, but apparently with little success. And it is of interest to remember that the fashion was started in Los Angeles.

A. M. Chaffey, president of the California Bank, is credited with establishing the first branch of a state bank, and the late W. A. Bonynge, Sr., started the first national bank agency when he was president of the Commercial National Bank.

CANADA'S FUTURE AS MAKER OF NEWSPRINT

Is Fast Taking the Dominant Position in the Industry—Figures of Expansion

NIAGARA FALLS.—"During the first four months of this year, the newsprint mills in North America made more than a million tons of newsprint paper and it looks as if the total for 1925 would set a new high mark beyond three million tons out of a world production of five million tons," declared R. S. Kellogg, secretary of the News Print Service Bureau, speaking at the annual meeting of the American Pulp and Paper Mill Superintendents' Association upon the topic of "News Print Paper in North America." "The North American industry now has a capacity of 11,000 tons of newsprint daily and new machines totalling 1,500 tons additional capacity are under construction, to say nothing of other projects less advanced," he continued. "This means an increase of nearly 100 per cent. in a period of eight years, and is a remarkable development even on a continent which has always done big things.

"The United States mills are making about the same quantity of newsprint as in 1920, but the Canadian output is 70 per cent. ahead of 1920, while 1925 marks the entry of Newfoundland as a big factor in the newsprint situation with two mills of nearly 700 tons a day combined capacity. Mexico has made about 40 tons a day of newsprint with little change for many years.

"The Canadian production in the first four months of 1925 was slightly more than during the entire year of 1915, and the 1925 total will probably equal that of the United States for the first time. So far as there is any means of determining, it looks as if from 1926 on, Canada would be the world's greatest producer of newsprint paper."

Blazing the Trail for Industry

Anticipation of
the needs of industry has
always been the
policy of the
Company

Aeroplane View of Plant of Shawinigan Water and Power Company and Town of Shawinigan Falls, P.Q.

Industries Followed Available Power

WHAT the Shawinigan Water and Power Company has accomplished for the province of Quebec may best be exemplified by towns and cities like Three Rivers, Sorel, Grand'mere, Shawinigan Falls, Donnacona and Cap de la Madeleine. Before the advent of the company some years ago, these towns contained practically no industrial activity whatsoever—but by the supply of cheap power, Shawinigan has built up a large part of the province industrially.

At the inception of the company, there was not the demand for power, but it has always been the policy to have the power ready and waiting the industrialist. This policy holds good to-day and will continue to do so.

The mere presence of waterfalls never made the province of Quebec the best place for industry in Canada to-day — it was the actual development of these waterfalls which brought the industries which are still supplied by the company.

Not only has the company been active in supplying the cheapest power procurable in Canada, but it has established and continues to own several companies which are leaders in the electro - chemical industry. In addition, it owns and operates several public utility corporations and some tramways.

The goodwill, which the company has established through its service to the Province, has been supplemented by the fact that both the company and some of its subsidiaries have a large number of customers on their lists of shareholders. The Shawinigan Water and Power Company is owned by some 4,400 people, mostly all of whom are resident in the province of Quebec.

Quebec Province Has the Cheapest Power in Canada

POWER is supplied in Canada at an average cost of under one cent per kilowatt hour, chiefly due to the abundance of water power in Canada, it is indicated by the annual census of central electric stations in Canada. The average net revenue per kilowatt hour of all central electric stations in Canada was only .83 cents in 1923. Quebec has the cheapest power in Canada, the report shows, the average net revenue per kilowatt hour for all central electric stations having been, in 1923, as follows:

Quebec	.68 cents
Ontario	.72 cents
Yukon	.93 cents
Manitoba	1.06 cents
British Columbia	1.08 cents
Alberta	2.32 cents
New Brunswick	3.58 cents
Saskatchewan	4.43 cents
Nova Scotia	4.98 cents
Prince Edward Island	8.67 cents

—From The Financial Post
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THE SHAWINIGAN WATER & POWER COMPANY

MONTREAL